FBIS DAILY REPORT

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MEXICO REFUSES TO WITHDRAW CONTADORA PROJECT

FL260430 Mexico City NOTIMEX in Spanish 0235 GMT 26 Nov 85

[Text] United Nations, 25 Nov (NOTIMEX) -- This afternoon Mexico confirmed that the Contadora Group resolution project on the Central American crisis will not be withdrawn. Even though Colombia, Panama, and Venezuela have requested its withdrawal, such a measure cannot be taken without Mexican authorization. This morning three of the four countries composing Contadora -- Panama, Venezuela, and Colombia -- told UN Under Secretary General Diego Cordoves that the group (including Mexico), had decided to withdraw the resolution project presented to the UN General Assembly last Friday. The measure was not implemented because Cordoves requested the three countries present a signed letter from the four [Contadora] countries to withdraw the project. Without the signature of any of the countries -- in this case Mexico; which was not even informed -- the request cannot be granted.

Immediately afterward another unofficial resolution project was circulated which included Mexico, without its permission, as one of the sponsors. There are two notable differences between the two projects: the call for the United States and Nicaragua to renew the Manzanillo talks is minimized, and an entire paragraph was removed on the elimination of military maneuvers in Central America.

This afternoon Mexican Ambassador to the United Nations Mario Moya Palencia said the text on the Central American crisis presented on 22 November was not a Mexican project but rather a Contadora project which was negotiated and discussed by all members of the group. No project was done without the absolute consent of the Contadora Group members, the Mexican diplomat said, adding: No country can say it is surprised, because if any country is surprised it is Mexico.

Copies of the resolution project presented by the Contadora Group last Friday were distributed to the press and had the four ambassadors' signatures. Today the Colombian and Panamanian representatives told journalists that on 23 August in Carthage, 13 September in New York, 12 November in Luxemburg, and 21 November in Panama. [sentence as received] It was confirmed that Colombia wanted to make some observations which were incorporated into the document last Friday afternoon.

Well-informed sources said the change of opinion by Colombia, Venezuela, and Panama on the text of the document resulted from a meeting with representatives from Costa Rica, El Salvador, Guatemala, and Honduras, where several objections and amendments were presented. For example, Honduras found the text to be markedly pro-Nicaragua.

Reports also circulated that U.S. ambassador Vernon Walters had participated in one of the meetings. "I spoke much over the telepone on the matter, without attending any meeting," Walters said when asked about his participation. Today, however, General Walters met with representatives from Colombia, Panama, and Venezuela in the Indonesian Hall of the United Nations. The topic of the meeting was not revealed.

Moya Palencia said he did not participate in any meeting, nor did he receive any invitation to a meeting last weekend When asked if this situation represents a crisis for the Contadora Group, Moya Palencia responded: The crisis is in Central America, not in Contadora. He reiterated that the only project of the peace group was the one presented last Friday.

Nevertheless, the Mexican diplomat said he agrees with Mexico's traditional policy of dialogue and negotiation and said he was open to discuss any suggestions on the project that any country may present to the Contadora Group. The debate on the Central American crisis continued today for the 2d day in the UN General Assembly and should conclude around midnight.

Unified Resolution To Be Presented

FL260530 Mexico City NOTIMEX in Spanish 0345 GMT 26 Nov 85

[Text] United Nations, 25 Nov (NOTIMEX) -- The five Central American countries and the four Contadora Group countries decided tonight to present to the UN General Assembly tomorrow a single resolution project on the area crisis. The diplomatic representatives of the countries of the Contadora Group and Central America held an urgent meeting tonight to discuss the probable modifications of the resolution project presented to the UN General Assembly on 22 November.

Panamanian Ambassador to the United Nations David Zamudio, who spoke on behalf of the nine countries, said that what is wanted is a resolution of concensus, adding that the resolution project is being held up. When asked why Colombia, Panama, and Venezuela had excluded Mexico from the second resolution project presented this morning, Zamudio said those three nations had received orders last week from their respective foreign ministries to hold the project back, and Mexico had not received any instructions.

However, General Vernon Walters, U.S. ambassador to the United Nations, said he did not participate in any of the Contadora negotiations and said the meeting held today with the representatives of Colombia, Venezuela, and Panama in the Indonesian Hall of the United Nations was just protocol. He explained that the meeting of the Central American ambassadors was only to listen to propositions from their countries, which is why Mexico and Nicaragua were excluded.

Diplomatic sources said tonight that Mexico triumphed at the meeting because all the countries involved agreed to take as a base the first project resolution. I believe this was all a misunderstanding, and in the meeting held in Panama (which concluded on Sunday), the ministers did not have time to revise and reach a consensus, said the Panamanian ambassador, who was never able to clarify why Mexico's name was used to ask for withdrawal of the Contadora resolution.

Contadora Act Near Completion

FL270037 Mexico City NOTIMEX in Spanish 0355 GMT 23 Nov 85

[Text] Mexico City, 22 Nov (NOTIMEX) -- Foreign Under Secretary Ricardo Valero said today the Contadora Group lives and is the proper international forum to solve Central American problems. He said during the recent meeting of the Contadora plenipotentiaries in Panama the area governments expressed their interest in continuing peace negotiations until they reach a definite agreement.

The under secretary said significant advances were made in the meeting, such as refinement and development of the peace act proposed by the Foreign Ministries of Mexico, Colombia, Venezuela, and Panama. These adjustments to the document were made to the complete satisfaction of the countries of the region.

Valero said that 80 percent of the peace act had been approved, and only four points are pending on the topics of international military maneuvers, control and reduction of arms and military forces, method of execution and follow-up, and the legal aspects of the Contadora act itself, which would determine when it takes effect and what the obligations and requirements would be upon arriving in Mexico City, Valero referred to the differences that exist between Nicaragua and the United States and said that during the sessions on 19, 20, and 21 November a protocol was approved that would permit the U.S. Government to comply with the treaty without frustrating the objectives of the act.

ANTICOMMUNIST MEETING OPENS IN ASUNCION

PY231843 Asuncion HOY in Spanish 23 Nov 85 p 9

[Excerpt] The Second Congress of the Latin American Federation of Democratic Organizations [Federacion de Entidades Democraticas de America Latina] (FEDAL), opened yesterday morning at the Ita Enramada Hotel. The congress is being attended by representatives of anticommunist organizations from various countries of the continent. The discussions began after the opening speech and will continue until 25 November. The congress will draw up conclusions and elect a new leadership for this regional organization. The opening speech was made by Juan Manuel Frutos, president of FEDAL. In his speech, the Paraguayan anticommunist leader outlined the situation in Paraguay and the objectives of FEDAL's struggle against international Marxism.

COLOMBIAN MINISTER COMMENTS ON TALKS WITH EEC

PA261734 Mexico City UNOMASUNO in Spanish 18 Nov 85 p 18

[Excerpts] Paris, 17 Nov -- The Cartagena Group and the EEC have reached an agreement to act jointly to bring about an overall political negotiation on the economic crisis which encompasses the handling of the foreign debt and international trade. Proposals in this regard will be presented this week in Washington and New York by Claude Cheysson, former French foreign minister and present commissioner of the EEC. Having said the foregoing, Colombian Foreign Minister Augusto Ramirez Ocampo, who was interviewed here by this paper, said that the bases of this Euro-Latin American common front were set in October during private working sessions in Brussels by the Cartagena Group and EEC representatives, in which Cheysson himself participated actively.

Ramirez Ocampo added that from the working sessions the Cartagena Group obtained a series of positive results. The first could be a new and high "sensitivity" in Europe toward Latin American problems and demands. Second, it was learned that there is a consensus that the Baker Plan is insufficient and limited. Although the U.S. proposal is new, its scope is too limited to provide a solution. "Europeans -- both governments and banks -- like the Latin Americans, think it is as necessary to capitalize the multilateral credit organizations as it is to obtain more 'flexible' conditions in the negotiation of loans. This action should be complemented by a response from governments and national banks, which should also make this terms more flexible," Ramirez Ocampo said.

For Ramirez Ocampo, the Brussels meetings have established a new alternative, the consequences of which make more feasible the opening of a round of overall political negotiation on the crisis, in which the foreign debt problem could be included. Ramirez Ocampo said: In any case, the move toward an overall negotiation has begun, and we hope that the objectives will be met.

EDITORIAL ASSESSES REAGAN-GORBACHEV SUMMIT

PY261154 Buenos Aires CLARIN in Spanish 22 Nov 85 p 16

[Editorial: "The Birthplace of Hope"]

[Text] The beam of hope cast by the Geneva summit of Ronald Reagan and Mikhail Gorbachev will have to last a while before we can tell if there has been a real change in U.S.-Soviet relations; it will have to last quite a bit longer for us to be able to say that the tranquility of secure peace has been assured for the world.

The leaders of the two superpowers at least have agreed that "a nuclear war can have no winner and must never be launched, recognizing that any conflict between the Soviet Union and the United States may have catastrophic consequences." Such consequences would not only affect the two eventual adversaries but all of mankind, considering the lethal effect that massive utilization of nuclear weapons would have on life on this planet.

The agreements will be spelled out in forthcoming meetings between representatives of the two governments, and they will become even more concrete in Reagan's future direct contacts with Gorbachev. The circumstances surrounding the release of the Geneva joint communique permit us to assume that the new level of understanding will overcome the rigidity of recent years.

No doubt this preliminary understanding has been influenced by the internal situation of the two superpowers and overall strategic assessments, without visibly taking into account the concerns of other nations of the world. However, these concerns constitute a backdrop which cannot be totally disregarded by the two leaders, concerns unofficially represented in Geneva by various pacifist forces.

The Swiss city sits at the heart of a Europe more and more frightened and tormented by the possibility of a nuclear conflagration that would inevitably engulf its people first. The same concern grips the nations of the Third World, although attenuated by their geographical distance from that scenario and distracted by the immediate needs of their underdevelopment, compounded by their internal political crises. The prospects of a nuclear holocaust that would wipe out the human race have unfortunately ceased to be science fiction and become a frightening possibility. In view of this, all the nations of the world cannot be denied their just right to participate in the discussions of the problems of peace and disarmament.

Even more, the magnitude of the resources that the two superpowers invest in the production of nuclear weapons has a negative impact on the international economic structure and tends to worsen the specific problems of third countries. Mankind already has an interdependent system in which the eventual isolationist strategies of the United States or the Soviet Union are a mockery and a contradiction for the rest of the world.

Bipolar logic can never be the only focus for a mechanism of lasting peace; and consequently, it is to be hoped that the positive advances for the reduction of a risk of war between the superpowers will be complemented by the participation of the other components of the contemporary political world in the negotiations. The fate of the human race is at stake and, although any agreement between the United States and the Soviet Union in and of itself implies greater security for the rest of the nations, it does not automatically mean that some conflicts will not be transferred to other areas. Even more importantly, it does not mean that the drama of underdevelopment has a better scenario for a happy ending.

In the long run, a bilateral agreement between the two superpowers must include a consideration of that crucial drama, because the persistence of a widening technological gap between the industrialized countries and the Third World will always undermine international stability.

CAPUTO OPENS UN DEBATE ON FALKLANDS ISSUE

PY270214 Buenos Aires DYN in Spanish 2322 GMT 26 Nov 85

[Text] Buenos Aires, 26 Nov (DYN) -- Argentine Foreign Minister Dante Caputo stated today that the act of dispossession to which Argentina was subjected 150 years ago by Great Britain "has neither deprived us of our rights nor undermined the legitimacy of our demands" for the Malvinas, South Georgias, and South Sandwich Islands, "as far as the international community is concerned." Caputo addressed the UN General Assembly at the beginning of the debate over the Malvinas issue, which will be voted on tomorrow. Caputo's speech was released in Buenos Aires today.

Caputo stated that "no one is unaware that this is the core of the conflict and problems between Great Britain and Argentina today. At the same time everyone knows that Argentina's democratic government has expressed its willingness to resolve the issue through peaceful negotiations." He went on to say that Argentina is convinced that compliance with international law and the peaceful solution of conflicts "is the most practical, simple, and effective way to resolve conflicts."

After making it clear that at this point Argentina and Great Britain are not engaged in any negotiations aimed at resolving their differences, Caputo pointed out that "a group of countries which are mutual friends of the two parties" has proposed that the international community "urge them to begin dialogue" and that the draft resolution "should not contain any terms or references that may be construed as taking sides," but merely "recommend that the case be dealt with in accordance with the standard approach accepted by the international community: peaceful negotiation between the parties involved." Caputo said that Argentina "decided to vote for" this resolution, which "does not contain any references or terms that Argentina highly appreciates, terms and references that were included in earlier resolutions." Caputo said that "by voting in favor of the draft resolution the Argentine Government has made an obvious effort of good will to pave the way for negotiations." He went on to discuss the international repercussions that a lack of solution to this conflict would have, mentioning, among other things, fishing in the South Atlantic, "where a key natural resource is running the risk of overexploitation and could lead to severe market distortions."

Caputo emphasized that "another source of particular concern to Argentina is the militarization of the area," meaning the building of fortifications and other military preparations by the United Kingdom on the Malvinas Islands. He added that "sooner or later the disproportion of these military preparations will make it necessary to justify them by claiming strategic objectives above and beyond the mere defense of the islands and their inhabitants," thus giving rise "to a source of worldwide tension in an area that is not subject to such phenomena and creating a serious threat to peace and stability in the region." Caputo indicated that in the light of these threats and others that may crop up, Argentina "is fully aware that the most simple, swift, and effective way to eliminate them is to begin negotiations with Great Britain in order to resolve all the controversies." He went on to say that the Argentine authorities have found that many governments and personalities, including British political leaders, share this desire to resolve this conflict peacefully.

Caputo then criticized Great Britain's amendment to the draft resolution submitted to the General Assembly by saying that "contrary to the wishes of Argentina, and also, I believe, those of a large portion of the international community, we have seen with sorrow that the United Kingdom has submitted an amendment that refers to the principle of self-determination."

Caputo said that this amendment, "by bringing up a principle that has a bearing on the positions of the parties and may influence the final outcome of the negotiations, distorts the purpose of the resolution and thwarts the effort of those who submitted it -- as well as the effort made by Argentina -- to promote a peaceful solution to the controversy." He added: "I say this with sorrow because it could cast shadows and cause misunderstanding regarding the Argentine position on two issues it particularly cherishes: the application of the self-determination principle and the fate of the islanders."

The foreign minister said that Argentina "has always and will always be a firm supporter of the principle of the self-determination of the people," adding that it could not have been any other way because "we emerged as a nation struggling for that very principle."

Caputo then said that there are other no less important principles, "such as the right to territorial integrity, the rejection of the occupation by force of one's own territory and the limited rights that a non-native population has to justify these events."

Caputo said that this is precisely what is being questioned, and if Argentina, with the purpose of expediting the beginning of negotiations, has accepted the exclusion of those principles in the draft resolution and in the debate of the Assembly, although they were included in other approved resolutions, "it would be absurd to include the principle that the United Kingdom upholds with the purpose of preventing the beginning of the negotiations." Later, Caputo said that in addition to distorting the purpose of the draft resolution and creating confusion, the British amendment "makes us wonder about its intentions."

In this regard, he stated that while Argentina has always defended the principle of self-determination, "it is surprising that the United Kingdom proposes that the principle of self-determination be applied in this case when only 2 weeks ago, before the Security Council, it voted against applying this principle in the Namibia case where there is no doubt about the need for it."

Caputo also said that in order to solve the problem of Hong Kong with the PRC, the British Government allowed the principle of territorial integrity to prevail over the principle of self-determination, an attitude that we consider praiseworthy.

The minister then said that this "selective and erratic" attitude of the British "makes us doubt their intentions in submitting the amendment."

Caputo said Argentina "does not fear going to the negotiating table with the United Kingdom to discuss each problem," since it is convinced that with good will, good faith, and imagination, all the differences between the two countries may be overcome. [passage indistinct]

Caputo stressed that the draft resolution merely requests that what is established in Article No 1 of the UN Charter be implemented. He added: "Argentina accepts this, and we would like the Government of the United Kingdom to accept it also."

The text of Caputo's address to the United Nations was released in Buenos Aires by the Argentine Foreign Ministry.

RESULTS OF ELECTION LEAD TO CABINET CRISIS

PY262013 Madrid EFE in Spanish 1925 GMT 25 Nov 85

[Text] Brasilia, 26 Nov (EFE) -- It was reported in Brasilia today that the results of the recent mayoral elections will lead to a shuffling of the Brazilian Cabinet and the establishment of a progovernment right-wing party. All but the five military ministers of President Sarney's Cabinet will submit their collective resignation on 15 February to pave the way for the first Cabinet shuffle of the civilian government that put an end to the military regime. The Cabinet crisis will be yet another consequence of the recent mayoral elections which altered the balance of political power among the parties organized during the period of transition to democracy.

Communications Minister Antonio Carlos Magalhaes announced that the adjustment process will lead to the creation of Progressive Liberal Party (PLP), which will bring together right-wing groups in order to support Sarney's administration. During the lengthy authoritarian period that began in 1964, the military sought to keep political play between two parties: a moderate opposition represented in Congress and a progovernment party that had no real influence on decision-making. After the political opening and the reinstatement of democracy on 15 March this year, each of the political parties sought to gain elbow room, an effort that was stepped up during recent mayoral elections.

Sarney's government is currently backed by the Democratic Alliance, which is made up of the Brazilian Democratic Mobilization Party (PMDB) and the Liberal Front (PLF). The former is center-left and the latter right-wing. The new PLP will try to prop up the right-wing sector, according to observers.

During the 15 November elections the PMDB won in 127 municipal districts, including 19 state capitals, and thus confirmed itself as the country's main force. The rightist sector, with the participation of the governing Liberal Front Party [PLF] won in Sao Paulo with its candidate, former President Janio Quadros. It thus secured great influence and an important position in the political arena. The leftist sector obtained important victories which grant it ample space in the political arena. The Democratic Labor Party [PDT], headed by Governor Leonel Brizola, won in Rio de Janeiro and Porto Alegre, while the Workers Party won in Fortaleza.

With these results, according to analysts, those parties participating in the government are trying to increase their influence, while the Brazilian Labor Party [PTB], headed by Janio Quadros, and the new PLP are starting their struggle to gain some political ground. The PDT and PT intend to disrupt this situation by launching a campaign for presidential elections in November 1986, arguing that Sarney was not elected by the people but rather by an electoral college.

After the local elections all political parties have been trying to undermine the PMDB and break up the Social Democratic Party [PDS], which represented the military in the political arena. The PDS won only one mayoralty, and the party's dissolution can be seen in its performance, although it was the ruling party during the military regime.

Government Rejects New Elections

PY261125 Sao Paulo Bandeirantes Network in Portuguese 0130 GMT 26 Nov 85

[Excerpt] Tomorrow's newspapers will extensively cover the Planalto Palace's reaction to a new attempt to reduce President Sarney's term in office. The Government of the New Republic has said that it would interpret such an initiative as a military coup or the stripping of his mandate in the style of a military regime. Presidential spokesman Fernando Cesar Mesquita has stated that President Sarney's mandate will not be changed until the National Constituent Assembly makes a decision in this regard.

Mesquita harshly criticized those who uphold the reduction of the mandate by summoning two-thirds of the Congress and accusing them of promoting personal policies. He said that Congress cannot reduce the presidential term established by the Constitution, which also provides for direct elections for his successor.

The Brazilian Democratic Mobilization Party [PMDB] has reasserted that it will not support the proposal to reduce Sarney's term in office, as the Democratic Labor Party and the Workers Party intend to by calling for direct presidential elections in 1986. PMDB President Ulysses Guimaraes has said that his party maintains that the length of President Sarney's term in office should be established by the Constituent Assembly.

Direct Elections Effort Begins

PY262022 Sao Paulo Radio Bandeirantes Network in Portuguese 0900 GMT 26 Nov 85

[Text] Most Brazilian political groups favor holding direct presidential elections next year. The New Republic's administration has already taken a position in this respect: It is radically against it. Those politicians who called in streets and squares for direct elections last year and are now part of the administration do not want to hear about the subject.

[Words indistinct] direct elections now, Deputy Ulysses Guimaraes, president of the Chamber of Deputies, affirmed without hesitation: The Brazilian Democratic Movement Party [PMDB] is against any popular mobilization for elections in 1986. Another politician who called for direct elections last year is Industry and Commerce Minister Roberto Gusmao. He is now totally against the idea and says that any attempt to reduce the presidential term is nothing but a coup.

Planalto Palace spokesman Fernando Cesar Mesquita has noted that not even President Sarney can reduce his own term. In other words, we will have to bear with the lame and politically powerless administration until 1992.

Despite all the official opposition, the campaign for direct elections in 1986 continues to grow. Today in Brasilia President Sarney will confer with Rio Governor Leonel Brizola on the subject. Tomorrow, probably in Brasilia, (?there will be) a meeting of the political leaders sponsoring the campaign, with Governor Brizola representing the Democratic Workers' Party and Luis Inacio da Silva representing the Workers Party, of which he is chairman. As a result of this meeting the campaign will become stronger and probably acquire national characteristics.

Reporter Bahia Filho has this report:

[Begin relay] Political sources admit there is great pressure to hold presidential elections in 1986. It was also reported that military leaders are looking favorably on Governor Brizola's moves to advocate elections and are enthusiastic now about the victory of Brazilian Labor Party candidate Janio Quadros in the Sao Paulo mayor's race. [end relay]

CONGRESS APPROVES EMERGENCY TAX REFORM

PY270014 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Nov 85 p 10

[Text] By 365 votes in the Chamber of Deputies and 52 in the Senate, Congress yesterday approved in the second round of debates the emergency tax reform, which was voted on in the first round of debates on 23 October. The amendment, introduced by Deputy Iraja Rodrigues, 49, of the PMDB [Brazilian Democratic Mobilization Party] from Rio Grande do Sul, made the approval of the reform possible. It will be confirmed in the next few days by Congress President Jose Fragelli. After that the municipalities will receive, by December, an additional 100 billion cruzeiros, to come from an increase from 16 percent to 17 percent in the Municipalities Participation Fund [FPM].

Based on federal revenue estimates for 1985, the tax reform approved yesterday will distribute an additional 7.6 trillion cruzeiros to states and municipalities in 1986. Of this total, 4.2 trillion cruzeiros will come from the Single Roadway Tax (TRU), which the central government will transfer in full to the states and municipalities in equal shares.

The remaining 3.4 trillion cruzeiros will be obtained from the PFM percentage increase (2.3 trillion cruzeiros) and from transfers of the Road Transport Service Tax (ISTR) (1.1 trillion cruzeiros). Today the central government keeps 80 percent of the ISTR revenues and transfers the other 20 percent to the states. As of 1986 the municipalities will begin to take a 20 percent share of ISTR (440 billion cruzeiros in 1986); the states will have their share increased to 50 percent (another 660 billion cruzeiros for the 30 percent increase); and the federal government will keep only 20 percent (440 billion cruzeiros).

These figures may go up if the country's economy grows beyond current projections. For instance, if the income tax (IR) and the Industrialized Goods Tax (IPI), which comprise the FPM pie, increase, the pie to be distributed will be bigger. In addition, the ISTR, which according to the PMDB leader in the Chamber of Deputies, Pimenta Veiga from Minas Gerais, is a poorly collected tax, could yield more than the projected 2.2 trillion cruzeiros. The TRU revenues should not experience great variation.

The National Municipalist Front, which negotiated the tax reform with the government, considers its approval no more than a partial victory. Therefore, Deputy Airton Sandoval, PMDB from Sao Paulo, will introduce, with the support of the National Municipalist Front, a proposal for a constitutional amendment granting more transfers of funds to the states and municipalities. He announced that he will introduce his amendment on 26 November.

Deputy Iraja Rodrigues calls for "a profound and thorough reform." He announced publicly yesterday that he will submit to the Constituent Assembly a proposal eliminating all taxes now existing in Brazil (federal, state, and municipal) and replacing them with only three: Income tax ("on receipts, not salaries," he explained), property tax, and a selective tax on goods and services.

The income tax will be levied especially on profits from financial speculation, stocks, and investments; the property tax will be progressive, increasing proportionally with the number and value of properties; and the selective tax on goods and services will not be applied to essential goods (basic foodstuff), but the rate will increase as it is applied to goods and services that are less essential, taxing at higher rates those products that are hazardous to people's health, as with cigarettes.

Under the proposal of Deputy Iraja Rodrigues, a National Tax Account will be instituted, and a National Tax Council will be created to administer that account. Eighty percent of the funds will be distributed in proportion to the population of each state and municipality, and the remaining 20 percent in proportion to their territorial size. All authority that can possibly be transferred to the states and municipalities will be transferred, particularly to the municipalities.

BANK PLACES PETROBRAS SHARES ON MARKET

PY270144 Brasilia Domestic Service in Portuguese 2100 GMT 26 Nov 85

[Text] The National Economic Development Bank [BNDE] has placed 5 billion Petrobras [Brazilian Petroleum Corporation] shares on the market. The ceremony was held in Rio de Janeiro from where Sidney Rosa reports:

[Begin recording] [Rosa] Planning Minister Joao Sayad has revealed that with the sale of these shares the government will start the program to place the capital of several state enterprises in the hands of the private sector.

[Sayad] In addition to these shares, we are going to place other less important state-owned enterprises on sale. In the case of Petrobras, we are spreading the ownership of its shares in a democratic way. But there are other less important state-owned enterprises that will also be placed on the market.

[Rosa] The BNDE will be in charge of selling the shares. More than 300 brokers, distributors, and investment and commercial banks will be involved in selling the shares to the public. The sale of these shares, in more than 10,000 locations, will guarantee the 300,000 new Petrobras shareholders full access to all the financial and economic benefits which the enterprise's shareholders have. This includes profit and possible bonuses. However, it will never entitle any of these new shareholders to the right to vote. The minimum number of shares that can be bought is 1,000, and the maximum number per person 5 million. There is a total of 3 trillion cruzeiros in shares placed on the market. [end recording]

FRG AMBASSADOR SUMMONED TO FOREIGN MINISTRY

PY262152 Santiago Radio Chilena in Spanish 1600 GMT 26 Nov 85

[Relay from the Foreign Ministry by reporter Jose Francisco Contreras]

[Text] FRG Ambassador to Chile Hermann Holtzheimer has been summoned to the Foreign Ministry by Foreign Relations Minister Jaime del Valle to clarify his statements regarding the National Accord for the Full Transition to Democracy.

The FRG ambassador, together with other European ambassadors, had met with representatives of the political parties that signed the National Accord. On that occasion Ambassador Holtzheimer expressed support for the National Accord, noting that any break in the government bloc represents a defeat for the government and a victory for the opposition. On another occasion, Holtzheimer said that the National Accord is inspired by a spirit of peace, reconciliation, understanding, and dialogue.

However, these words and attitude were interpreted by the government as interference in Chilean domestic affairs, which is why Minister del Valle summoned the German ambassador. Holtzheimer met with Minister del Valle for 20 minutes; after the meeting, he refused to answer reporters' questions. No comment, he said, as he left the Foreign Minister, the meeting was very friendly, but I have no comment.

The Foreign Ministry has likewise not released a report about this meeting.

UNDER SECRETARY GENERAL REASSIGNED TO URUGUAY

PY270123 Santiago Domestic Service in Spanish 2200 GMT 26 Nov 85

[Text] Colonel Carlos Krum, under secretary general of government, today reported than on 29 November he will turn over his position to Colonel Jose Guillermo Cabrera Rivera. Krum explained he is leaving his cabinet post to take over new duties abroad. Colonel Krum has been appointed military attache in Uruguay.

The future under secretary general of government, Army Colonel Jose Guillermo Cabrera Rivera, currently director of civil organizations, is now accompanying President Pinochet on the latter's tour of northern Chile.

WRAPUP OF LATEST WAVE OF VIOLENCE, BOMBINGS

PY260038 [Editorial Report] In its regular news program "Onda Noticiosa," Santiago Domestic Service in Spanish at 1630 GMT on 25 November carries a wrapup of the subversive actions that have taken place "in the last few hours" in Santiago and in the 5th and 8th regions.

The announcer begins by quoting police sources reporting on the attacks in Santiago. According to the sources, 10 bombs went off and 3 others were defused. The announcer reports that two bank buildings were damaged and a guard was slightly wounded. The announcer also reports that a bomb went off inside a car, which was totally destroyed, and other explosive devices damaged the development bank building and an electricity pole. The announcer quotes the police sources as reporting that three bombs were defused inside the South African embassy building.

According to the Radio Nacional wrapup, this morning "Carabinero Manuel Ibanez Aravena was seriously wounded when he and other policemen tried to stop a mob that wanted to seize a bus," in southern Santiago.

Next, in a report relayed from Concepcion, the announcer says that 11 people were slightly wounded "during a terrorist attack against the state bank branch building in Talcahuano last night." The announcer adds that another bomb went off at a Talcahuano police building at 2300 last night, that private houses, a school, and a medical center were seriously damaged, and that no one has claimed responsibility for the action. The announcer also reports that at approximately the same time, several bomb blasts caused damage in front of a Carabineros cooperative building, of a Chilean Telephone Company building and of several housing ministry offices in Concepcion, and that the attackers were identified as members of the Manuel Rodriguez Patriotic Front. The announcer says that no one has been reported wounded.

Finally, in a report relayed from Valparaiso, the announcer reports that the police are investigating 7 terrorist attacks, which were staged late last night and early this morning in Valparaiso, Vina del Mar, (Chilte), and Villa Alemana, and which caused considerable damage but no casualties. The announcer reports that the blasts damaged a building owned by the newspaper EL MERCURIO, a bank, two Vina del Mar city hall buildings, a criminal judge's office in Villa Alemana, and another judge's office in (Chilte). The announcer says no arrests have been reported.

RALLY PLANNED AT PUERTO MONTT 29 NOVEMBER

PY262218 Santiago Radio Chilena in Spanish 1600 GMT 26 Nov 85

[Text] Democratic Alliance [AD] President Gabriel Valdes will be the only speaker at a rally organized by the AD, the Socialist Bloc, and the National Party in Puerto Montt on 29 November. This news was released this morning by the AD office. It was reported that a public rally will begin at 1730 this Friday on Coastal Avenue in Puerto Montt. Gabriel Valdes, socialist leader Ricardo Lagos, United Popular Action Movement [MAPU] leader Vitor (Barrueto), and National Party leader Manuel (Marchan) will participate in the rally.

This rally has been authorized by regional chief General Lavin and it will express support for the National Accord for Transition To Full Democracy. It has been announced that this rally is the first in a series, and part of broad movement to be undertaken by the opposition.

GARCIA ADDRESSES BUSINESSMEN'S CONFERENCE

PY252156 Lima Radioprograms del Peru in Spanish 2300 GMT 24 Nov 85

[Speech by President Alan Garcia delivered on 24 November in Ica at the closing ceremony of the 23d Annual Businessmen's Conference [CADE 85] -- recorded]

[Excerpts] Mr Chairman, Ladies and Gentlemen: I wanted to attend this annual businessmen's conference because I am concerned about its development and because I wanted to express my gratitude. Exactly 1 year ago, this was one of the milestones of the political campaign that allowed me to be elected on 28 July. I was here 1 year ago as a presidential candidate; today I am here in response to your invitation as your president to reassert the proposals I made then. Before closing this conference I would like to consider our promises and how I believe we are fulfilling them.

A year ago, I addressed CADE to make an important statement: the inflation rate, of which (Ramon Remolinas) has reminded us today in the newspaper EL COMERCIO, threatened to reach 200 percent. This inflation was accompanied by a devaluation that was perhaps even higher than the inflation rate and by high interest rates and financial costs.

These indexes showed that unlike previous crises the nature of the crisis was not temporary. I climbed this podium to say that the crisis we were confronting was unprecedented in our history and that it was a structural crisis, if I may use this term incorrectly; that it was the end of the road for a development plan that was in crisis; and that profound changes were needed in Peru's foreign relations policy and in its domestic economic development policy.

At that time I said Peru's history was one of dependency on international capitalism. At that time, I said, and I reassert this, that we are a country that lacks a national program and that lacks its own initiatives; and the economic characteristics that some of us have are based mainly on the requirements of the international economy.

At that time, I noted that our fatherland, like other Latin American nations, had been predominantly an exporter of resources until the 1930 crisis, when these countries, and ours quite later, undertook to replace the export of resources with the industrialization process, which involved many problems, such as centralization, the high costs of imports, inputs, and technology; insufficient employment opportunity and deviation from what should be its consumer market.

Moreover, I said that in addition to these critical problems that were already perceived in the 1970s, the situation was further undermined in this decade by the critical situation of the international economy, with the energy crisis and the protectionism of wealthier countries. This resulted in the birth of liberal economic theories, which urged our countries to open our markets. This opening of markets coincided with the needs of richer countries, which were troubled by the high cost of energy, and the economic crisis.

This is why I said that from what we experienced in this century it was evident that a transformation of the international economy was necessary because we were exporters of resources when it was demanded by the great capitalist nations, centralized industrialist countries when multinational corporations came into being, and now we have become debtor countries with an abandoned agricultural sector and an industrial sector besieged by imports because the new international theory called for the opening of our markets and the payment of the foreign debt.

I said that this path led only to one thing: the increasing impoverishment of the country, its marginalization, and dramatic social consequences, which were already being experienced through violence, crime, and the misery of our people.

Gentlemen, this is why 1 year ago, I expressed the need to establish a new kind of state. But here when we speak of the state, many think of a totalitarian state -- the totalitarian state that is willing to terminate bureaucratic corruption instigated by the private sector or the totalitarian state that is unable to end those abuses of which you are very well aware.

We said that if we want to rebuild our society, we must rebuild the state. We need a true state and a realistic government. But a realistic government is achieved through authority and authority means not just to have a policeman earning a salary of 1.2 million soles per month to pursue criminals; authority means that when the majority vote chooses a path, people must follow it. This does not mean that we have to give the government a carte blanche or a blank check but we must give it enough time so that more than a simple transformation can be implemented. Authority means to admit the continuity of history and the need to implement a transformation. We wanted a government and we have started to build it.

We have said that a government must represent a nation and a nation is a group of Peruvians who live in this territory, Peruvians who have lived in this territory over the centuries. A nation also means that this country has the right and the opportunity to develop itself; that it has achieved development before and it can achieve development again. Without underrating or rejecting what can come from abroad, we believe we are able to develop something different by ourselves.

I said we needed a nationalistic government and I am here to reassert the fulfillment of this goal. By nationalism we mean that the number one priority goal is to achieve development. We also said that if the first obstacle to achieving this development was the previous antidevelopment policy, the high cost of which we were paying to foreign countries, we would make the sovereign decision to restructure our relation with these countries and with the international financial sector, which is the modern expression of the old colonial domination. I said we were going to make a sovereign national decision.

Today, I am here to say that we have made this decision. We have made this decision so that we may have more resources within our borders; we have made this decision so that high interest rates will not cause a permanent devaluation that results in the lack of currency; we have made this deicision to tell everyone that we can indeed achieve development. This has been the first promise we have fulfilled in keeping with our nationalistic concept of the state. We must make a drastic change in the history of our nation by reasserting our national will in relation to other countries. This is why I am here today to urge all of you to action. We cannot wait for your decision: We must work right here and now.

I want to start from what was supposed to be the last part of my speech. I sense much fear; I sense much timidity in the country. In essence, what I sense is that there are people who wish the country would offer them more guarantees that they can obtain in a Miami bank. But this will never be achieved in this country because we must clearly establish the differences between a bank in the most powerful country of the world, and a Peruvian enterprise. To quote Miguel Vega [not further identified] I would say that it is one thing to make a fast speculative deal and another to establish an enterprise that entails risks.

Therefore, all I can tell you is that although we have advanced in some areas, the first thing I have witnessed in the first 3 months of government is an unrealistic view of wanting to have all guarantees provided. I am here to tell you that business means risk; that all guarantees will never be achieved because there will always be doubt; because those who want to doubt will always doubt. But those who believe in Peru must take risks for Peru.

I am here to urge you to do this and to tell you not only what we shall do but also what the government must do, so that you will be compelled to participate; in other words, what the nationalistic government must do to make many of those here and abroad bring their resources home from abroad. What can we offer you as guarantees so that you may invest in Peru? If you, who are Peruvians, do not invest in Peru, we cannot urge foreigners to invest in our fatherland.

We want a nationalistic government and nationalism should not be feared. We cannot see ourselves reflected in foreign oil companies. We cannot see ourselves reflected in what is happening with foreign capital. The Peruvian state gives priority to national capital; the Peruvian state defends national companies that invest in Peru. This is our creed and our conviction: I believe in him who believes in me; Peru believes in those who believe in Peru. This is the reciprocal relationship of any nationalistic revolution.

Thus, we need a government like the one we are now building -- which is still not consolidated or well established -- that will be capable of running the economy. At least we here will not let the foreign debt run our actions to provoke devaluation, increased interest rates, inflation, and the related vicious cycle. We have taken a step that has frightened many people who act as though they are representatives of foreign banks. We have taken a step to preserve our foreign currencies and to maintain our monetary exchange rates. Although acknowledging that the monetary exchange rates have been stable for 3 months, many people are saying that they will decline tomorrow, in January, or in April. There are others, who are a little more optimistic, who claim that the rates will drop to realistic levels in June. Thus, they say: Let us wait until June to see what happens. This wait-and-see position is a type of inaction that can be regarded as a form of terrorism. [applause]

Gentlemen, I want that applause to turn into action and investment and for this to occur, there must be permanent commitment by the CADE. I know that there are many problems but I have the impression that some of them have been overcome or that the situation is better than that existing on 28 July. Those who believe that the situation is worse than it was before 28 July raise your hands. [applause]

I am aware that there are many problems but we are going to solve them gradually but not just by letting the time go by, please. I have good friends who are businessmen. Some [word indistinct] leftists in theory criticize me for having friends who are businessmen, but the thing is that I am a friend of those who work in Peru. Therefore, I receive a lot of gloomy remarks. Do you know what I think? I think that Peruvians are very skeptical and they have a right to be skeptical because many things have happened here. Peru has been moving in clumsy zig-zags and jerks.

I have a friend who is an industrialist and I once told him: Why don't you try to invest in Peru one-third of what you have deposited abroad? -- I believe he has $3 or $4 million. I told him to invest $1 million in Peru where he originally raised his capital. I told him to do that favor for Peruvian history.

I have no means with which to remove Peruvian deposits from foreign banks. I am not so innocent as to tell our economy minister to investigate the Swiss banks. Another government did that once and the Swiss laughed at it. And how the Swiss can laugh! [laughter] However, I can persuade and convince people because I am a politician. I must tell the truth with my cards placed on the table as I said here a year ago. My leftist friends said that I had joined the business sector. It is not true, I came here to express my thoughts tell the truth, and to tell all businessmen that I am an anti-imperialist and a socialist.

I know how to behave realistically. I do not dream about social-economic miracles, and I do not like sacrificing such a substantial thing as freedom in the name of a miracle. If I did, I would have chosen another road by which the state would be the owner and master of everything, even of the misery it creates. By philosophical conviction I believe in the possibility of finding a process by which we will able to solve the problems of most of the people in an atmosphere of freedom that will allow spiritual and material development for everyone. I am convinced that there are enough resources for everybody in Peru. I am aware that the resources are badly distributed or invested, however, I am convinced that there is no reason for misery, the lack of running water, electric power, or education.

The other day I visited the Canto Grande zone in Lima, and as I watched those nearly 80,000 people in this new town in John Paul II, (Jose Carlos Mariategui) I asked myself, why should these people believe in the state, in Alan Garcia, or in Peru? Why? Nevertheless, they are there and remain there because they have no option. And they are creating their own businesses, and selling their produce as street vendors despite the fact that non-state police pursue them. [laughter]

We need to support industries, which are closely related to our national objectives: national consolidation, nourishment, decentralization, employment of our labor force, attracting investments from abroad. We do not believe that the paying of wages is a temporary curse that will eventually lead us to the paradise of generalized common property. We do not believe that all employment relations based on wages are a temporary curse and that communizing property, idealized as paradise, is over the horizon. I long ago left this sort of verse to other poets.

We believe that a distinction cannot be made between extreme individualism and total collectivism. Where has this choice been made? Perhaps in North Korea, a country with which so many others have refused to establish relations -- I do not know why or in the name of what interests. North Korea is the country that I believe comes closest to absolute collectivism, much more so than China. China has a rural semibourgoisie which has been strengthened with greater profit margins so that it will work more and increase production. This is true; I have talked with Chinese peasants after the Gang of Four had collectivized everything and when soup kitchens were in use. If we had followed that road, we would all have to go to eat in the same soup kitchen in a Lima slum.

However, after that Messianic, collectivist, totalitarian period that cost so many lives in China, the millenarian Chinese pragmatism made them create a small or medium-sized bourgeoisie mainly among the farmers. Individual land plots are allowed to be kept in the PRC -- and that does not mean that they have ceased to be socialists or that they have stopped preaching their own interpretation of communism, because one does not stop being a Marxist by interpreting things differently. However, North Korea is more collective than what some people would like. There is no private property there except for the personal objects or furniture one may have. There are no cars; sometimes they have bicycles. They have a beautiful subway, but it is for collective use. They also have collective jobs, factories, and farms. People only own the furniture they have; and if they are transferred to another city, they have to leave their furniture behind.

Well, I am willing to establish relations with North Korea, but what I am not willing to do is to turn Peru into another North Korea, and this should be clear. [applause]

We believe that the state should certainly deal with foreign capital. It is (?ridiculous), but they [foreign oil companies] were exempted from paying taxes for the purpose of expediting oil extraction. We have said that this is a negative policy. It might have been realistic and possible to exempt the oil companies from paying taxes in order to increase oil reserves by exploiting new areas. But this was not done, and 96 percent of the resources they saved through the tax exemption was used to exploit or extract petroleum. [sentence as heard] This is a fact and this is why we have decided to cancel the contracts because they do not favor Peru. We said we would renegotiate the contracts. Others shouted: why do you renegotiate with immoral companies? I want to point out that it is not up to me, in my capacity as president or politician, to judge everyone's subjective morality. If a law has been enacted, the company has to abide by that law. This is being realistic. The immoral ones were those who issued the law, the authorities of the oil sector, who, instead of saying "search for oil," said "exploit it quickly." This is the problem.

Therefore, when I am asked why we renegotiate with the companies, I answer that we do so because we are realists. And we are going to renegotiate as much as possible to see if they can now invest in prospecting where they previously exploited. Nobody can deny that this is fair. In the second place, we maintain that Supreme Decrees 105, 106,601, 303 are at odds with the laws that were in force during the previous administration, so they are illegal. They gave exemptions from payment of taxes and thus violated the law. In this case, in my capacity as president it is my duty to enforce Law No 22775, I believe. If the supreme decrees, which are administrative acts of the Executive Branch, are illegal, then we must abide by the law.

But I cannot tell Occidental Petroleum or the Delco Petroleum: You will be jailed because you have not paid taxes. No, because that was the consequence of a managerial mistake. Nor can I fine them or impose charges on them because the state is to blame for this situation. But they do have to pay the taxes that they did not pay. This shows that the law is respected in Peru. If the Executive Branch made a mistake by issuing a decree, let history pass judgment on those who made the mistake and on the reasons they made it. But the companies have to pay the taxes established by law.

I will now outline the criteria that have been taken into account for drawing up a decree that will be issued tomorrow: first, an open relationship with foreign capital; a competitive relationship because we are neither isolated nor capable of extracting oil by ourselves with our own technology. We want foreign capital, and we will watch the treatment that China, Colombia, or any other country is giving to the foreign capitalists in order to see the rules prevailing in international deals.

As for the concrete case of the oil companies whose contracts have been cancelled, we will collect the taxes that were exempted through illegal decrees. Many jurists who have looked into the issue have confirmed the illegal nature of such decrees. In addition, we have made this decision after an in-depth consideration of the subject. Both Peruvians and foreigners have to pay taxes, and no one can be exempted.

Second, the state believes that the new contracts will be acceptable, realistic, and positive for our country if they are renegotiated on the following terms: that oil company profits must be invested in prospecting. Thus, since we are strictly complying with the law, no one will have any doubt about the state's openness. I hope the law to be approved by congress will reflect those realistic, modern, and competitive criteria. We have to attract foreign capital. However, this attitude is not to be linked with a concrete illegal situation in which illegal decrees were issued, as we will show the nation.

Another important issue is that the government has strengthened its authority in order to curb inflation. This is a dramatic issue. Inflation has been a historical process in Peru. It has developed in the Peruvian economy in the recent past. Inflation cannot be stopped with a decree. I believe Karl Marx said that revolutions cannot be implemented through a decree. Nor can inflation be halted through a decree. What we have to do is to implement a kind of surgical treatment to restore the people's confidence and to show that inflation can be curbed. The economy minister no doubt pointed out here that the inflation rate has dropped from 11 percent to an average of 3 to 3.5 percent in the last 3 months. This is an objective fact. Several objections can be raised in this regard saying "yes, but..." This expression is well known in our country. It may be argued that the price stampede will come in January, in June, or sometime later. But the fact of the matter is that the inflation rate has dropped and that the situation has improved.

Now, we are aware that there is a price to be paid when the inflation rate is drastically reduced by lowering interest rates and by freezing prices. The price to be paid involves the possibility of recession and shortage caused by expectations of higher profits or by the need for higher earnings in sectors that need larger profits to continue operating. But we face this danger from a realistic viewpoint. We do not believe in a disorderly economy in which everyone sets the prices he wants or in which everyone is driven by his own fears, estimating the expected inflation rate. I recall that over the last 5 years, when the government said that the budget was based on a 40-percent inflation rate, we made our own estimate by applying the rule of three: we multiplied the government figure by three. Last year they said the inflation rate would be 40 percent, but it reached 120 percent. Now the government has said 40 percent. Therefore, the actual rate will be 120 percent. Did we learn to draw our own conclusions, or was it a new code the government was giving us? Because the government said 40 but it was actually 120 percent, and we all agreed on it because we knew. But the industrialists also knew this, and to protect themselves they estimated the inflation rate at 130 or 140 percent [word indistinct], and so did the merchants. There was a generalized disorder of prices. Everyone complained.

The other alternative was dramatic, overall control. This would be easy if the state owned everything or if there were only five or six firms offering goods and services on the market. However, to the best of my knowledge, there are tens of thousands of Peruvian peasants who grow potatoes. There are just a few peasants who grow olives, but tens of thousands who grow potatoes. Therefore, it is very difficult to coordinate all this. In addition, the small tenants of the coastal and the mountainous areas must be given a chance to earn their living.

Let me tell you that even though we are confronting serious problems, we are making gradual progress in the task of building a nationalist government by strengthening our achievements. As for democracy and decentralization, we are also moving forward. We support and encourage all nationalist initiatives of investment, work, and faith which will have our total cooperation.

I recall that a radio listener once talked of the difference between doing business and undertaking an enterprise. I will close my speech by reiterateing that this is the time to undertake enterprises, and this means taking risks. This does not mean betting on a previously known outcome; this is unfair. We have to take risks because all of us are taking risks. All Peruvians have taken their risks: those who have lost their jobs, those who work only occasionally, the street vendors, the peasants whose products remain unsold, and those who do not produce.

Many people have wondered: Why does this president do strange things like going onto the balcony and opening his coat to show that he has no bulletproof vest? I do that as a symbol of something that those who feel safe do not understand: that I also, run a risk like the rest of the Peruvian people. This gesture is meant to tell the country: if you do not feel safe about your house or your job, here is your president who is also running a risk. And this is a symbolic way to get closer to the people.

There are many reasons to fold our arms, like with the abductions: we might say that it would be better to leave. No, we should improve our security. I am not saying that this will end overnight, because no one can do it. No police force is able to destroy the only industry in which there has been investment and organization in recent years. No one can say that he can destroy that industry overnight. All of us will run a risk. No one can say that violence and its insanity and terrible consequences will end. This must be a process. These are the risks involved in being a Peruvian in the 20th Century. We were born here and we cannot expect things to be like they are in other countries. Many reasons could be argued for remaining inactive. But there is one single argument to continue or to begin to work: our fatherland, our children, our future.

I greet this assembly. I am glad the businessmen, those who bear responsibilities, are holding a meeting. I urge you to remain open to outside opinions and to correct mistakes. Several charges may be leveled against the government, but not that it is arrogant, obstinate, or stubborn. We say that it is possible to take one step backwards in order to take two steps forward. We say that it is possible to build a nationalist, democratic, and popular state with help of our current social forces. To do this, we say that it is necessary to take a risk and to bet on Peru. This is my proposal: this is my cause; this is my request. I am convinced that many of you will risk not only your investment but also your lives for our country. Thank you very much.

UNITED LEFT TO BEGIN OPPOSITION TO GOVERNMENT

PY270105 Lima Radioprograms del Peru Network in Spanish 1300 GMT 25 Nov 85

[Interview with United Left Coordinator Guillermo Herrera Montecinos by reporters Denis Vargas and Cesar Arias during "Range of News" program -- no date given]

[Text] [Vargas] The United Left decided last weekend with the approval of all the political groups which make it up, to begin more active opposition to the government and above all, to question some of the main policies of the present administration. Dr. Herrera, we would like to know on what basis, with what criteria, the United Left will begin more active opposition. What will this more active opposition entail?

[Herrera] Well, it is not that we have decided to start a more active opposition. What we have decided is to establish our actual position regarding the APRA administration. With this, of course, we are going to start our opposition work. This task is based on two main issues. In the first place, we confirm our belief that the government, as the president of the republic confirmed yesterday at the annual businessmen's conference, does not intend to modify the country's capitalist structure or to adopt measures to break our dependency on U.S. imperialism. In view of this, the measures the government adopts neither compromise nor modify the structure that is causing the problems our fatherland is enduring. Therefore, we need a sectorial policy that addresses fundamental aspects. In the oil sector, for example, the government should reassure us that there will be no renegotiations with the oil companies that have cheated the country, in the mining sector, we insist on the need to nationalize the Southern (?Peru Copper Corporation) especially, and that the [name indistinct] control the marketing of minerals; in the banking sector, the government should hand the Credit Bank over to the private sector; in the industrial field we insist on internal industrial development. The president yesterday stressed this issue and I think this is postive. In the agricultural field, the agreements of the CUNA [Sole Agrarian Central Organization] should be fulfilled as the president promised they would be during his electoral campaign. This has not been done yet. We also demand a more coherent foreign policy, which, among other things, takes a firm position condemning the Reagan administration's attempts to attack the Nicaraguan Government. Finally, we demand respect for the people's organizations and that parallel organizations not be created, as is happening now. This, basically, is the stance of the United Left at this moment.

[Arias] Mr. Herrera, good morning.

[Herrera] Good Morning.

[Arias] Mr. Herrera, the real difference in the positions of the United Left and the APRA lies in the possibility of a more radical stance regarding capitalism, basically regarding U.S. capitalism. Politicians and government technocrats now insist that because of the current international and national situation, it is impossible to break away from capitalism. In other words, in view of our current situation we must maintain ties with imperialist capitalism and that it is only a matter of trying to make some adjustments. In sum, since you do not agree with this theory, I want to ask you whether you believe in a total break with capitalism?

[Herrera] Well, [words indistinct] the problem does not lie in whether we should break away or not, but rather in the terms of the economic model we intend to establish, guidelines that this political decision should follow, because everything starts with a political decision. From this point of view, it is obvious that if we resort to the United Left's position, there is going to be a confrontation with multinational capitalism, as you call it. But this confrontation is unavoidable. Naturally, there are going to be problems; there are going to be difficulties, but it is obvious that a revolution, a revolutionary change, is not made without paying these prices.

[Arias] Mr. Herrera Montecinos, we thank you for your participation in "range of news." [end recording]

APRA WINS ADDITIONAL MUNICIPAL ELECTIONS

PY261420 Paris AFP in Spanish 1638 GMT 25 Nov 85

[Text] Lima, 25 Nov (AFP) -- In the complementary municipal elections held yesterday in 22 provinces and 150 districts in Peru, the candidates of the American Popular Revolutionary Alliance [APRA] won the largest number of mayor's offices, despite abstentions and a large number of blank and void ballots, according to the first official counts. A source of the National Electoral Court revealed that out of about 500,000 electors who should have voted in this election, less than 300,000 fulfilled their civic duty and that there were no elections in 16 districts because no candidates ran.

The elections, complementing those held in 1983 for a 3-year term, were called to elect municipal authorities in recently created districts and provinces, and in the violently disturbed towns in the Andean regions of Ayacucho and Huancavelica Departments, where the Shining Path guerrillas have previously stopped them with fire and death.

Although on a much smaller scale than the general elections last April in which over 7 million voters cast ballots, yesterday's elections served as a small test of the popularity of the ruling APRA Party after 120 days in government. According to the first counts, the mayor's offices not won by the APRA candidates in yesterday's complementary elections were won by candidates of the United Left and the National Integration Party (PADIN). Former president Fernando Belaunde's Popular Action and the rightist Christian Popular Party do not appear in the counts.

According to the authorities, the Shining Path could not stop the elections in Ayacucho, 575 km southeast of Lima, despite calling a 72-hour strike, burning the electoral booklets of dozens of citizens, kidnapping some officials, and blocking some roads with explosives. The authorities admitted, however, that there was a high number of blank and void votes in the territory which the Shining Path considers its stronghold.

In Huanta, APRA candidate Victor Raul Yangali Castro was elected mayor with 3,555 votes (35 percent). His United Left opponent obtained 1,391 votes. There was a total of 5,533 void and blank ballots.

In the town of Soccos in Ayacucho Department, in one of the zones the Shining Path claims to have liberated, the PADIN list obtained the largest number of votes with 111 ballots. There were 888 void and 426 blank ballots.

In San Juan Bautista, another peasant community in the same region, the APRA list obtained 1,701 votes and the PADIN list came second with 139. There were 1,363 void and 324 blank ballots.

The vote counts have confirmed the APRA victory, followed by the United Left, in the new districts and provinces in other Peruvian regions where elections were also held in the departments of Lima, Lambayeqye, Cusco, Puno, Madre de Dios, Ica, Moquegua, Tacna, San Martin, and Ancash.

CHILE'S DEL VALLE TO ARRIVE 1 DECEMBER

PY151434 Lima Television Peruana in Spanish 0100 GMT 15 Nov 85

[Text] Foreign Minister Jaime del Valle will visit Peru on 1 December, thus returning the visit that his Peruvian counterpart Allan Wagner paid to Arica. Del Valle announced in Santiago today that he will take to Lima the Chilean Government's answer to the issues that he and Wagner discussed in Arica last week.

According to a communique the two foreign ministers released on 9 November in Arica, Del Valle will arrive in Lima on 1 December, bringing President Augusto Pinochet's answer to the issues discussed during the talks.

FINANCE SECRETARY FORESEES CONTINUED DEBT GROWTH

FL261520 Mexico City NOTIMEX in Spanish 0355 GMT 23 Nov 85

[Text] Mexico City, 22 Nov (NOTIMEX) -- Mexico will continue to increase its indebtedness to the limit of its possibilities in order to continue its development, Mexican Secretary of Finance and Public Credit Jesus Silva Herzog said during his appearance before the plenum of the Chamber of Deputies.

During the first stage of the meeting, which lasted about 5 and 1/2 hours, Silva Herzog answered questions of the representatives of the nine political parties registered in Mexico. When he explained the reasoning behind the 1986 tax laws of the federal government and the federal district department, Silva Herzog stressed the fact that the problem of the foreign debt must be viewed with calm and care because it is a basic aspect upon which economic relations between the countries will depend during the coming decades.

Silva Herzog rejected a suspension of foreign debt payments and reminded the legislators of the time when the debt was the complement of our financing and development in energy, agriculture, supplies, public works, and other areas.

In response to the questions of the deputies of the political parties that make up the 53d Legislature, he said that in calculating total capital flight it does not suffice to cite foreign bank deposits; he said it is also necessary to calculate underbillings and delays in registrations and payments. He said that, because of Mexican economic conditions, it is impossible for the moment to contemplate any measure to reduce or eliminate taxation; he explained that one of the basic problems is to have resources to take care of basic needs even if this means increasing taxes.

The finance secretary said Mexico will not participate in a club of debtor nations because there has been no government-level proposal to negotiate as a group. [sentence as received] Finally, Silva Herzog explained that the plan for 1986 is not to increase taxes but rather to avoid a drop in tax receipts, which the government needs. The Mexican secretary of finance and public credit was appearing before the plenum of the lower house in accordance with Article 74, 4th Part, 2D Paragraph, of the Constitution of the United Mexican States.

GOVERNMENT ANNOUNCES 1986 INCOME STRATEGY

FL260024 Mexico City NOTIMEX in Spanish 0449 GMT 23 Nov 85

[Excerpts] Mexico City, 22 Nov (NOTIMEX) -- The federal government's 1986 income strategy will not end with indiscriminate tax increases but rather with an adjustment of prices and tariffs for goods and services produced by the state, said Finance and Public Credit Secretary Jesus Silva Herzog. He said the $4 billion contract with the international banks for 1986 does correspond to the Baker Plan guidelines.

In the second half of his presentation to the 53d legislature on the 1986 income law, Silva Herzog said that to finance the deficit, the public sector programmed a 4.6 percent goal for 1986, and the federal government will issue treasury certificates. He said the federal government is planning to increase the gross domestic product, which presently totals 46.8 billion pesos, by 27 billion pesos for a total of 74.7 billion pesos [figures as received].

When asked by the legislators about the problem of the foreign debt, Silva Herzog said by the end of 1985 the debt will total 96 billion dollars.

He said a third of the renegotiation process for the foreign debt has been conducted and referred specifically to dedicating a percentage of export currencies to foreign debt payment and the rest to the economic growth of the country.

DEPLOYMENT OF MORELOS II SATELLITE DISCUSSED

PA260429 Mexico City XHDF Television Network in Spanish 1955 GMT 25 Nov 85

[By Magdalena Garcia de Leon]

[Excerpt] The Atlantis space crew has had to revise its schedule because their entire operation will be conducted at night. For the past 20 days, Dr Rodolfo Neri and the other six crewmen have been sleeping from 0500 to 1300 in order to be wide awake for the space shuttle launch and for the launch into orbit of the Morelos system's second satellite.

During a brief news conference, Miguel Eduardo Sanchez Ruiz, director general of the Unit for Space Projects of the Communications and Transport Secretariat, stated that the Morelos II satellite will begin functioning in March 1989. He said that in the meantime the services provided by the Morelos I will be sufficient. Sanchez Ruiz explained that should the need arise to use the Morelos II satellite before 1989, it will take one day to put in it into its final orbit to begin its operations. In reply to a specific question, he said that the way in which the Morelos II satellite will be launched -- specifically its orbit will be achieved through space inertia -- does not constitute for Mexico or for the satellite a risk greater than that the one involved in placing the Morelos I satellite into orbit.

FIRST NUCLEAR POWER PLANT TO BE CONSTRUCTED

FL270244 Mexico City NOTIMEX in Spanish 1600 GMT 23 Nov 85

[Text] Monterrey, Mexico, 23 Nov (NOTIMEX) -- It was announced in the capital of the State of Nuevo Leon that the Mexican Government is investing $2.2 billion to construct the first nuclear plant in the country. It is expected to produce electrical energy capable of saving approximately 10 million barrels of oil annually. Vincio Serment, Department of Nuclear Energy assistant in the Federal Electric Commission, said the electronuclear project will be constructed in Laguna Verde, Veracruz (Gulf of Mexico), and will become operational by the beginning of 1987.

He added that the production of electrical energy this year has been 6,000 half-watts (seis mil medios wats), and it is expected that production will increase the following year by 20,000 half-watts (20 mil medios wats) which represents a 7 percent increase. Serment said the electrical energy plant will be constructed in Veracruz since it requires a terrain with a water supply for cooling purposes and with a low probability of earthquakes.

BRIEFS

ANTIDRUG OPERATION -- The State Attorney's office has issued a report on the Pacifico Operation carried out against drug trafficking in the past 2 months. The report notes that in the States of Oaxaca, Michoacan, and Jalisco, the authorities destroyed 569 poppy, 5,856 marijuana, and 10 mixed plantations. These plantations covered an area of 5,962,560 square meters. The office reported that the authorities have seized and destroyed 53,350 kg of marijuana and 312 kg of marijuana seed. Twenty-one people involved in drug-trafficking have been arrested and placed at the disposal of the proper authorities. [Text] [Mexico City XHDF Television Network in Spanish 0100 GMT 22 Nov 85 PA]

COSTA RICA

OFFICIAL REFUTES CHARGES OF HARBORING DRUG DEALER

PA251828 San Jose LA REPUBLICA in Spanish 16 Nov 85 p 12

[Text] Colonel Luis Barrantes, director of the Narcotics Office, was surprised to learn of the contents of a number of reports being published by the Panamanian pro-government paper CRITICA.

In one of its latest publications, CRITICA accused ranking Public Security officials of "protecting" a German citizen, a resident of an area near the Panamanian border, who is involved in international drug trafficking.

On this matter, Col Barrantes told LA REPUBLICA that the claims published in CRITICA are a fallacy of the yellow press, in bad faith, and ill-intentioned.

"Costa Rica still has honest officials, who want to serve the country well and never... never shall we bow our heads to the 'glitter' of the dollar to cooperate with international drug trafficking. We are not concealing a criminal situation, and it is actually irresponsible on the part of that Panamanian paper's director to allow the publication of unfounded stories."

Another aspect rejected by Col Luis Barrantes is the claim in Panama that the authorities are protecting a German. "Here -- the official pointed out -- we do not protect anyone, and I do not even know this man or where he lives."

Yesterday, Deputy Minister Johnny Campos, Francisco Villalobos, of the legal department, and Security Minister Benjamin Piza analyzed the publications of the daily CRITICA of Panama, to file the corresponding protest, since it is evident that behind such publications there is a purpose to mar the image of the nation's authorities.

ARDE DENIES MILITARY PRESENCE IN COUNTRY

PA251524 San Jose LA REPUBLICA in Spanish 21 Nov 85 p 25

[Communique issued by the Information and Propaganda Department of the Democratic Revolutionary Alliance, ARDE, on 20 November]

[Text] Regarding reports that have been published in various Costa Rican news media on the presence of alleged ARDE troops at the Costa Rican-Nicaraguan border, we inform all Nicaraguans and the brother people of Costa Rica that we have received the following radio report from ARDE's military sector:

1. During the second week of this month, ARDE fighters captured seven individuals -- two of them Costa Rican citizens -- in Nicaraguan territory, near Las Banderas, in Cruce de Coto. Those arrested were Benito Alvarado (Costa Rican), Napoleon Garcia, Antonio Otela, Eliecer Granados Granados (Costa Rican), Basilio Chevez Artola, Jose Paiwas Escobar, and Mauricio Oporta Quintero (alias Tiger). They were interrogated and admitted that they were going to meet with members of the Sandinist People's Army, EPS, near Sarapiqui, who would deliver weapons to them, which they would transfer to Costa Rica. For this reason, the ARDE forces who had captured them turned them in to Costa Rican authorities on 13 November. They were received by Rural Guard Lieutenant Carlos Alvarado.

2. The ARDE forces once again reiterate their profound respect for Costa Rican territory and its manifest neutrality. At the same time, ARDE reiterates that it only operates in Nicaraguan territory (Chontales, Boaco, Rio San Juan, and Central Zelaya), where under difficult conditions it is waging an arduous civil war imposed on us by Cuban-Soviet imperialism, which threatens to expand its Marxist-Leninist system to all the Central American peoples.

[Signed] ARDE General Command

TRADE WITH GUATEMALA REMAINS SUSPENDED

PA252000 San Jose Radio Impacto in Spanish 1830 GMT 25 Nov 85

[Text] Trade with Guatemala continues suspended and there are no serious indications that this situation will change in the next few days as predicted. This was announced by (Luis Cordero), deputy director of Central American Economic Integration.

It has been said that Guatemala was to begin paying its debt to Costa Rican exporters last week or this week at the latest. Regarding this, Cordero told this station today that this has not occurred and that there is no indication that it will happen within a short term.

CENTRAL BANK ANNOUNCES CURRENCY DEVALUATION

PA251230 San Jose Radio Impacto in Spanish 1830 GMT 22 Nov 85

[Text] The 19th devaluation of the colon was decreed this morning. The Central Bank announced today a 35 centimo devaluation. The dollar's purchase price in the national market was set at 52 colones and 80 centimos and the sale price at 53 colones and 30 centimos.

It is expected that parity will be 54 colones in the next few months. Therefore, other mini-devaluations totalling 70 centimos will follow as required by financial activities.

The planning minister presented a recent report to President Luis Alberto Monge stating that further colon devaluations must take place in the next few weeks to ensure that parity with the dollar will be 54 colones by the end of December.

EL SALVADOR

ACEVEDO SAYS BORDER WITH HONDURAS MARKED

PA261231 San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Nov 85

[Text] Deputy Foreign Minister Dr Ricardo Acevedo Peralta has said that the demarcation of the existing border with Honduras has been completed. He told this radio station.

[Begin recording] [Acevedo] There is nothing else to do at the border. It has already been marked. Of course, those sections still not delimitated have not been marked. We have done all that the mixed commission had ordered. This is what counts. Unfortunately, sufficient progress has not been made in the delimitation task due to the political instability prior to President Duarte's government. We must continue to support a bilateral effort toward a solution through dialogue and negotiation, although the mixed commission's term expires.

[Unidentified reporter] We would like to know the conclusions reached during Contadora's latest meeting.

[Acevedo] A consensus has been reached by Central Americans regarding many of the remaining points of discussion. Considerable progress was made during the latest meeting in Panama City. Practically everything regarding the ad hoc commission for the evaluation and follow-up of the political and economic commitments has been completed. Progress has even been achieved in the formulas proposed for arms control. I think very little is remaining for a consensus to be reached regarding the Contadora document after the 1985 discussion. I believe a special effort has been made. We only ask for the Nicaraguan people's final political willingness and that, aware of their historical responsibility in the region, they sign the Contadora document now that a consensus is about to be reached. We also ask the Nicaraguan people to stop arguing extraregional factors, such as U.S. intervention, so that the signing of the document does not depend on an extraregional power but through the will and consensus of all Central Americans who are the owners of their own destiny. [end recording]

He added that there are still 6 months to go before the two countries have to appear before The Hague International Court where Honduras and El Salvador will finally have to settle their border problems, according to the latest accord reached by the involved countries and the mixed commission.

ANTEL COMMUNIQUE SAYS ACTIVITIES NORMAL

PA261620 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 25 Nov 85

[Communique issued by the National Administration for Telecommunications, ANTEL in San Salvador on 25 November 1985 -- read by an unidentified ANTEL spokesman]

[Text] ANTEL informs the citizens and its workers that it was confirmed this morning that the labor activities of this institution are back to normal in most of the country's 14 departments despite maneuvers and threats by ASTEL [Salvadoran Association of Telecommunications Workers] sectional and national leaders who are disregarding an order issued by the 3d Labor Court judge ordering a resumption of activities and calling the strike started on 8 November illegal.

In addition, ANTEL's superior directorate announces that just as ASTEL leaders had been told, the workers who were temporarily arrested for promoting a suspension of activities at Central Roma at noon on Saturday, were released this morning. They were freed in the presence of Red Cross leaders and delegates of the Human Rights Commission.

Those released are Mauricio Cruz Alvarez, Sergio Rodriguez, and Juan de Dios Montes who were warned not to continue to be in contempt of court because if they are caught involved in actions such as those they were carrying out at Central Roma at noon on 24 November again, they will be detained and turned over to the respective court.

ANTEL thanks most workers for their good judgment in returning to work and hopes that the intransigent attitude of certain sectional and national ASTEL leaders will change soon to one of respect for the law and to avoid actions, like those of Saturday, which were the natural reaction to those who to defy the laws of the Republic and the de jure system that the government must guarantee.

HONDURAS

LIBERAL PARTY CONTINUES TO LEAD ELECTIONS

PA262011 Tegucigalpa Cadena Audio Video in Spanish 1940 GMT 26 Nov 85

[Text] Latest information received by this network revealed that after having counted 1,429,000 votes, the Liberal Party holds first place with 709,151 votes, followed by the National Party with 626,541 votes. Thus, the Liberal Party and the National Party continue disputing the presidency of the Republic.

However, it has already been announced that the Liberal Party holds the lead, with its candidate Jose Azcona del Hoyo having 385,000 votes; Efrain Bu Giron with 49,595; Oscar Mejia Arellano with 233,456, and Carlos Roberto Reina with 37,598. Rafael Leonardo Callejas, of the National Party, has obtained 582,794 votes, Fernando Lardizabal with 23,244; while Juan Pablo Urrutia, of the Unity and Change Movement, MUC, has 18,975 votes. This is all the information we have at this time, but we shall keep in contact with the computer center for any new information on the elections.

National Party To Appeal

PA261702 Madrid EFE in Spanish 1209 GMT 26 Nov 85

[Text] Tegucigalpa, 26 Nov (EFE) -- The opposition's National Party presidential candidate, who personally received the most votes in last Sunday's elections, will resort to the Supreme Court of Justice if the National Elections Tribunal proclaims Liberal Party candidate Jose Azcona the winner.

A spokesman for the National Party declared last night that "if Callejas' victory is not acknowledged, we will adopt whatever legal measures are necessary."

Azcona has said: "I admit that Callejas has received many votes and anyone who feels that he is being treated unjustly has the right to appeal to the Supreme Court of Justice."

The dispute emerged when the results of two-thirds of the votes cast this past Sunday became available. According to these results, the four candidates of the Liberal Party, together, obtained 51 percent of the votes, while the three candidates of the National Party secured 45 percent.

Out of the 596,426 votes for the Liberal Party, 325,128 (or 52 percent), went to Azcona, the most important of the four presidential candidates presented by the party in power.

The National Party received 519,697 votes, most of them for Rafael Callejas, the strongest of the three National Party presidential aspirants. Callejas obtained 488,288 votes (more than 80 percent of the total National Party votes).

Because of the electoral system that was implemented for the elections, Azcona is the winner because his party obtained more votes as a whole in spite of the fact that individually he secured less votes than Callejas, who belongs to the party that as a whole occupied second place in the number of votes.

National Elections Tribunal President Rafael Palacios Tosta said last night that there is "a little delay" because 24 municipalities have not yet sent their elections data and therefore the final elections results will not be known until noon today.

This tribunal has 29 days, beginning today, to make a statement on the elections and to proclaim the winner in Sunday's general elections. The president of the Republic as well as three presidential designates will be proclaimed from the party that happens to receive the most votes.

Most of the Honduran papers have reported that the governing Liberal Party won the elections. LA PRENSA, TIEMPO, EL HERALDO, and LA TRIBUNA have published big headlines and pictures of the various candidates as they were casting their vote.

In its editorial, TIEMPO notes that "the Honduran people have again demonstrated their maturity and civility by massively voting yesterday. There was no incident to be regretted; on the contrary, the citizens behaved in an exemplary fashion."

LA TRIBUNA believes that the people "have maintained a high level of civility that has given the Hondurans great prestige in the eyes of the world and that has served to confirm what we have said before, that these people love democracy dearly because they view it as a requirement for a dignified life in liberty."

Azcona News Conference

PA270026 Tegucigalpa Radio America in Spanish 2124 GMT 26 Nov 85

[Statement and News conference by presidential candidate Jose Simeon Azcona del Hoyo with national and foreign correspondents at the Alameda Hotel in Tegucigalpa--live]

[Text] Gentlemen foreign correspondents, companeros national correspondents: I felt that it was my duty to meet with you to answer any questions you may have regarding the electoral process and the results of this process, and to give you an overall view of what we think the next Honduran Government must do. First, I wish to tell you that the next government will be one that must face some precarious situations, from a political viewpoint, and a difficult situation from the social and economic viewpoints. However, and as we have said on several occasions, we will have the support of the generous and noble Honduran people, who have shown that they want to continue living in a democracy, in our attempts to overcome these difficult situations. The Honduran people have shown that they have their own convictions, do not yield, and do not follow leaders blindly.

The results of this election will be a lesson for all of us involved in politics and for those who are thinking of going into politics. I am filled with pride when I see the Honduran people facing this test with nobility. The men and women involved in the field of journalism in this country will play an important role as guides of the Honduran people.

We are at your service to answer any of your questions. Thank you. [applause]

[Moderator] This has been the opening statement by Jose Azcona del Hoyo at this very important news conference. Now the question and answer portion of the news conference begins. Walter Padilla of our news department.

[Padilla] Jose Azcona, you have won the elections with the votes of the other factions of the Liberal Party. Will these factions participate in your government?

[Azcona] Prior to the elections, I often said that we were going to have the best Hondurans, beginning with the liberals, regardless of to what faction they belong to participate in my government. I will not go back on my word now that I have won the presidency with the votes of the liberals. We are going to call the best Hondurans; therefore, the best liberals, to join my government in the next 4 years. Thank you.

[Moderator] The next question is from Jose Trinidad, of the Radio America News Department.

[Murillo] You have criticized the Suazo Cordova administration. You accused him of not complying with the Liberal Party doctrine. Will you carry out the Liberal Party doctrine to make the honesty and work slogan effective. Which will be your main objective?

[Azcona] We criticized Dr Roberto Suazo Cordova mainly on political issues. We have said that the material accomplishment of the Suazo Cordova administration is worthwhile, but that he took the wrong path when he tried to run the party with those at the top. We also said that the Liberal Party, which comprises the proudest and most noble men in Honduras, was going to reject such impositions. Now that we see the results of the elections, we were not wrong.

We are liberals by conviction and ideology, and as such we are going to begin by making a clear statement. We are going to respect the independence of the branches of state. We are not going to encourage any person in particular, any deputy, or any member of our government to violate the independence of the branches of state. We promise to respect Congress and even under the worst circumstances we are not going to use our power for anything that does not involve the country's welfare. I am a Liberal and I am going to prove this during my administration as I have done in private life and in the posts I have held. When I say that I am a liberal, I do not mean that only the liberals have the exclusiveness of democracy or respect for the republican institutions. In every party there are persons, for the good of Honduras, who feel the same way we do.

[Moderator] Antonio Pineda Green, of the newspaper LA TRIBUNA.

[Pineda] In the organizations of your government, are you going to take into consideration friendship and favoritism, or are you going to choose your assistants for their worth and honesty?

[Azcona] In the first place, we are going to take into consideration the qualities of the candidates for any post. However, there are persons who, in addition to their capacity and honesty, are loyal to our cause. Let no one think that we are going to ignore our friends and replace them with new friends. What I mean is that first we are going to take into consideration the capabilities, honesty, and the public and private conduct of the candidates for any post. Thank you.

[Moderator] Gabino Villalobos, of Channel 7 Television.

[Villalobos] The political situation in Central America is very difficult. Are you going to establish a bilateral dialogue with President Daniel Ortega or are you going to continue President Suazo Cordova's policy of a multilateral position?

[Azcona] There is no need to change the position of the Honduran Government. Talks have been taking place to find a global solution to the Central American problems. In some ways we feel this is a correct position because the problems are interrelated. We cannot elude the problems that exist between El Salvador and Nicaragua because we are between these two republics. However, it should be made clear that the fact that we have diplomatic relations with a country means there is an established dialogue in every sense of the word. It is not possible that if we have diplomatic relations with a country, the heads of state of these respective countries cannot and should hold a dialogue. This is my opinion.

[Moderator] [name indistinct] of the newspaper LA PRENSA.

[Question] With regard to the treaties with the United States and relations in general, some international and Honduran analysts have said that during the time of General Alvarez Martinez Honduras gave a lot without receiving anything in exchange. What will by your government's policy guidelines in relations with the United States?

[Azcona] You have to know how to negotiate when dealing with persons, groups, and nations. Although we have not known how to negotiate with the United States and have not obtained all the advantages and benefits to compensate for the friendly relations we have with that country and concerning matters of mutual defense, this is something of the past. I think that the Hondurans have the right to talk face to face with any country in the world, regardless of how powerful that country is. You can rest assured that in our relations with the United States -- with which we are friends and this we are going to say without reticence and without any fear -- we are going to maintain the nation's dignity and the respect for Honduran sovereignty.

[Moderator] [name indistinct] Aguirre to ask a question of Azcona del Hoyo.

[Aguirre] Thank you, Mr Azcona. Today, there was a rumour that Monarca [National Recovery Movement], which supported the candidacy of Leonardo Callejas, will appeal to the Supreme Court to enforce compliance with Article No 236 of the Constitution. We would like to know your views regarding the plan announced by a group within the Monarca faction.

[Azcona] (?I had heard about) this rumor. Apparently, it is true that they will appeal to the Supreme Court of Justice. However, we maintain that the rules of the game were announced a long time ago. We went to the elections acting on the premise that the votes for each party would be added to declare a candidate for each party. In our party, we received the majority of the Liberal Party votes, and we are the candidate with the highest number of votes within that party. Therefore, we are not the Liberal Party's candidate, and the Liberal Party surpassed the National Party by a margin of 10,000 votes. In other words, this means that the Liberal Party won the elections. If the Liberal Party won the elections, it is entitled to name the president. Moreover, if Monarca's friends -- the other candidates from the National Party had already said that they accepted totaling the votes -- and if the Nationalist Party's friends who belong to the Leonardo Callejas' faction, decide to appeal to the Supreme Court of Justice, we respect their decision. They are entitled to do so, but we believe that they will not achieve anything because the rules of the game were already drawn. I do not see how can it be that way days before the elections, and now after the elections, some may want to change something that was agreed on a long time ago, and was agreed on by the National Congress.

At any rate, we will accept the decision of the National Electoral Tribunal and of the Supreme Court of Justice.

[Moderator] Here is Jose Augusto Padilla, of Radio Marti, Washington, United States.

[Padilla] Good evening, Mr Azcona. Staying with the topic of international politics, one of the major aspects that have come to the fore in recent months concerns the internal armed struggle in Nicaragua. There has been a great deal of talk about the presence of anti-Sandinist groups in Honduras. As this situation has received world-wide attention, what would be your government's stance on this matter?

[Azcona] There has been a great deal of discussion on this matter. I will say that I am unaware of the existence of counterrevolutionary camps, there is [words indistinct]. I have no knowledge of that. Should those camps exist, they are in violation of Honduras' Constitution and laws, and we will have to adopt the appropriate measures to solve that problem. I repeat: I have not been in any contra guerrilla camp, although there are foreign reporters who have been there. I have not been there. I suppose they exist, and we are going to solve this problem because that is in violation of our Constitution and our laws.

[Moderator] Augstin de Garcia, of ACAN-EFE.

[Garcia] Mr President [as heard], can you give details as to the necessary measures your government will adopt should [words indistinct]?

[Azcona] We must enforce respect for the country's sovereignty and territory.

[Moderator] [word indistinct] question.

[Azcona] We must enforce respect for the country's sovereignty and territory. [Azcona repeats his answer]

[Moderator] Azcona del Hoyo replies to the question on specific measures. Gustavo Palencia, EL TIEMPO newspaper.

[Palencia] Mr Azcona, perhaps this is sheer coincidence, but your views regarding the presence of counterrevolutionary groups in Honduras appears to be in almost complete agreement with the Honduran Government's views saying that it has never been in counterrevolutionary camps, that it is unaware of the presence of counterrevolutionaries. However, this presence is constantly denounced along the border, near Paraiso, Choluteca. This presence is also clear from several complete reports published in TIEMPO disclosing that there are logistical support centers inside military zones. How do you account for your [word indistinct]

[Azcona] I account for it very simply. I have been merely a citizen who was a deputy. I have been unable to visit the entire country. However, as president of the Republic, I will be able to visit every inch of it if need be. Then, I will be able to say with full knowledge if there are guerrilla camps or not. At present, I repeat to be honest: I have never been in any counterrevolutionary or guerrilla camp in Honduras. I would be telling a lie if I were to say otherwise. When I am Honduras' president, I will be entitled to, and I will demand a probe on this matter to proceed as necessary. Thank you.

[Moderator] Here is reporter Maldonado, Tegucigalpa's HERALDO newspaper.

[Maldonado] (?Today) that you declare yourself president, do you also declare yourself a friend of President Roberto Suazo Cordova?

[Azcona] I do not declare myself president. I have said that I will accept the decision of the National Electoral Tribunal. If an unconstitutional appeal is submitted to the Supreme Court of Justice, I will accept the decision of the court. I do not have to declare myself president. The National Electoral Tribunal has to, and this must be ratified by the Supreme Court if an appeal is made. As to whether I declare myself friend of President Suazo Cordova, I will like to say that I am not an enemy of the president.

[Moderator] Journalist Luis Edgardo Vallejo, of Radio America, will now ask Honduran President-Elect Jose Azcona another question.

[Vallejo] You have cleared most of our doubts. We would like to ask you: What will be the Azcona administration's attitude toward the Contadora Group? What will be its attitude concerning negotiations with the Salvadoran Government to delimit the border with Honduras? In addition, Engineer Azcona, and referring to the counterrevolutionaries situation, we know that the counterrevolution is being supported by the U.S. Government. What would your administration's attitude be if the U.S. Government asked it to also support the counterrevolution?

[Moderator] Engineer Azcona will now answer Luis Edgardo Vallejo's question.

[Azcona] Referring to Contadora, the government -- our government -- will continue to support that initiative and thank the brother countries governments because they are exerting themselves so that the initiative concludes successfully. Referring to the issue with El Salvador, on 10 December 1985 we will complete the 5 years approved in the general peace treaty signed in Lima, Peru, by the Salvadoran foreign minister and our former Foreign Minister Colonel [Cesar] Elvir Sierra to reach a direct solution to the border situation. We know that the Salvadoran Government is trying to extend the 10 December deadline with the idea -- that is what they say -- that the problem can be solved in a direct way. I doubt very much that what has not been solved in 5 years can be solved in 3 or 4 months. I have often said that I agree with Dr Roberto Suazo Cordova's foresight in opening an embassy at The Hague and the preparations to present this case at the International Court of Justice at The Hague. I agree with this position.

Regarding the position of [changes thought] we refer again to the counterrevolutionaries issue. I want to tell you that I do not think that the U.S. Government has exerted pressure on the Honduran Government or that it will exert pressure on my government for an agreement on something that violates our sovereignty, Constitution, and Honduran laws.

[Moderator] There are other journalists in the back and I ask those who are taking pictures to step aside so that they may also ask questions. We will now hear journalist Freddy Cuevas Bustillo, of the Associated Press.

[Cuevas] President Suazo Cordova has been frequently accused of dividing the Honduran family during the last 4 years.

You have said that you are ready to achieve a unification of forces through a government of national integration or national reconciliation. How do you intend to go about exerting this great effort? What mechanisms will you try to put into effect in this regard?

[Azcona] You cannot deny that a great part of the Honduran people is already [corrects himself] liberals are completely united and have confirmed this in the elections, where three of our party's candidates received 80 to 90 percent of the party's votes -- between 70 and 80 percent. This proves that 70 percent of the liberals in Honduras are united; we will unite the other percentage with our actions -- wise actions -- and with respect for the liberals who did not support us in this struggle. In sum, we will first defend our ideology and act -- not only talk -- like real liberals and democrats.

Referring to the Honduran family, we think that the grave problems we have in Honduras will not be solved if the next president is a sectarian, capricious president who does not earnestly seek the support and unity of Honduras' best men, regardless of which party they belong to.

[Moderator] Well, this has been Engineer Azcona's reply. Journalist David Romero, of Radio America, will now speak.

[Romero] Our country is well known because those who seek a public post [words indistinct]. Many of them have stolen and looted in the country and are still walking free. Does Eng Jose Azcona plan to adopt legal actions against all of those who have stolen from the state?

[Azcona] Look, unfortunately for Honduras we have a general comptrollership law which has proved ineffectual. We have a directorate for administrative honesty which has also failed to achieve results that benefit Honduras. The president of the Republic does not appoint the comptroller general of the office and this [words indistinct] support these state institutions with a large enough budget so that their work proves effective. If, as you have said, there are any thieves, the law must be enforced. However, this must be done based on evidence which must be presented by the comptroller general. I will not be an inquisitor because that is not the president's job. We have the Comptrollership General of the Republic; we have the General Directorate for Administrative Honesty; we have the Public Prosecutor's Office -- all of these organizations have been appointed or elected by the National Congress. Let us hope that this time they will choose first-class men who fear no one so that they may enforce the law against all those who have broken it, as you have stated.

[Moderator] Mario Calix of Hoy Mismo newscast.

[Calix] My interest is in finding out what policy you will follow regarding the case that emerged during this decade: the disappearance of more than 100 persons. Two investigations have been carried out on this case, but they did not satisfy the demands of the victims relatives. It is the first time this number of persons have disappeared in Honduras. What action will you take?

[Azcona] It has been said that there is a report on the missing persons, but it has not been published. We will see if this report really exists and then we will establish the responsibility of those involved in these actions. What I can say is that we are going to make every effort to prevent these kinds of actions.

We will also be clear: We will not intercede for anyone who, abusing the Honduran people, commits political crimes or acts of terrorism. Persons who fall into this area of crime can be sure that we will demand that the full weight of the law be applied against them.

[Moderator] Newsman Marco Tulio Romero, of LA PRENSA newspaper.

[Romero] Eng Jose Azcona, the National Elections Tribunal [TNE] has established that its decision will be made according to rights. It made this statement prior to the elections because the president of the country will emerge from the votes each party receives. In this sense, you are already the Honduran president. I would like to know if at this time you have the names of the persons who will occupy the key ministries in your government?

[Azcona] No, we do not have the names of those persons because we had to await the results of the elections to see how the national electorate behaved. We could not prepare lists of ministers and members of decentralized organization or other important positions. Now that we have a clearer picture, and taking into account that we must take the best men into the government, we will begin to study persons and we will begin to make contacts to see if they will accept these positions. You can be absolutely certain that we will not wait until the last minute to form the cabinet or designate persons to important positions that depend on the central government. Thank you.

[Moderator] Sol (Clipman), of NEWSWEEK.

[(Clipman)] I would like you to discuss relations with El Salvador a little more. Specifically, why do you believe there have been so many problems in solving the border problem?

[Azcona] This problem has persisted for many years. I believe the border with El Salvador was not properly established at the time of independence. There are claims that date back to the colony -- that is since the time of independence -- by El Salvador and our country. I believe the Salvadoran Government never made the firm decision to solve this border problem with Honduras. It was during the war in 1969 that Honduras closed its borders and said that it would not reopen relations with El Salvador as long as a firm, serious commitment to solve the border problem was not made. This commitment was made due to the involvement of Dr Bustamante y Rivero, a former Peruvian president and a man who achieved what seemed impossible: the signing of a general peace treaty that consisted of five points that have been fulfilled, except for the border issue with El Salvador.

Unfortunately, 5 years have passed and direct negotiations have not led to an agreement. I believe that 66 percent of the border is established, but there are five large areas still in litigation, as well as the Meanguera Island which we claim as Honduran. If an agreement has not been reached by now and is not reached by 10 December -- and I believe this will be very difficult — we will be forced to take this issue to the International Court of Justice at The Hague so that the border between the two countries can be established once and for all, and we can live in peace.

[Moderator] Roger (Turnelo), Voz de Honduras and LA PRENSA correspondent, has the floor.

[Turnelo] Mr. Azcona, Peruvian President Alan Garcia recently picked up a flag and stated that the Latin American countries should create a joint front to seek negotiation of the foreign debt with the international organizations. Keeping in mind that our country has a serious problem with its foreign debt, what will your position be?

[Azcona] I agree that the Latin American countries should be in solidarity in the search for a solution to our debt, a renegotiation of the high interest rates we are paying on our loans, and above all in our search for the developed countries of the world to offer fairer terms in the trade exchange with our countries. We agree with the initiatives presented by several Latin American countries; however, we do not agree in having Mr. Fidel Castro as the leader in this action because we have no common creditors and have no relations with him. For this reason, I do not think that he should attempt to be the champion in this Latin American cause.

I agree with the creation of a joint Latin American front to seek a renegotiation of the debt and better trade exchange terms with the developed countries of the world -- not only with the United States, but also with the other countries that have demonstrated an even more overbearing attitude in trade relations than the United States itself because -- and we must say this very clearly -- the law of supply and demand must not apply between powerful and underdeveloped countries. Other methods of negotiation must be sought. The world is shrinking more and more every day and our countries, the so-called countries of the South, cannot grow poorer while the industrialized countries grow richer. All of us live on the same planet, which is shrinking more and more every day. The problems between Honduras and Nicaragua can have repercussions in Washington, Bonn, Paris, or somewhere else. Thank you.

[Moderator] That was a response by Mr. Azcona. Newsman (De Leiva), of daily newspaper TIEMPO and United Press.

[De Leiva] Mr. Azcona, my question deals with the military maneuvers. You have said in previous interviews that the maneuvers have been limited somewhat. However, an Armed Forces bulletin today announced new maneuvers during the first 6 months of next year. What is your opinion of this, or what role will you play?

[Azcona] This matter was discussed in our meeting with the foreign secretary. We were told that the size of the joint maneuvers with the United States had greatly decreased during 1985 -- this has in fact been the case -- and that negotiations were underway to limit these maneuvers. I believe we should maintain relations with the United States and even maintain joint maneuvers in Honduras. Why not? However, the maneuvers would be limited to the extent that they are not a burden to the Honduran people.

There are many international observers ... [changes thought] During a meeting in Canada of the Liberal International where we were criticized because we allowed the United States to carry out exercises in Honduras, I spoke to Liberals from Canada and Germany very clearly and bluntly. I told an FRG deputy: You are a deputy of a great and strong country yet you and the FRG's Liberal Party consent to missiles being deployed in the FRG. How is it possible that you, who with the United States while we, a small country cannot?

I feel that this situation with the United States must be handled very carefully, taking into consideration our national sovereignty.

However, we should not despair because we receive some type of military assistance from the United States. The Hondurans have not clearly and categorically demonstrated regarding the 500 U.S. military advisers in Honduras. If the Honduran people — who are really entitled to protest and demonstrate -- have not done so even during the political campaign, I don't see why we should worry over this exclusively. I believe that the Honduran government overstressed things in 1984 and spent almost the whole year in military exercises. If this is done in a proper, rational way so that national sovereignty is not violated and attacked, I would not oppose carrying out some joint exercises with the United States.

[Moderator] Three more journalists can ask questions. This will end the news conference. For the second time, journalist Pineda participates.

[Pineda] I want to ask two questions. First, we know there are two kinds of men: those who only commemorate their birthdays and those who make their words good. Does Azcona belong to the second group? My second question is: Can political reform be introduced in your government so that we can have a democracy in Honduras, not of a majority that rules alone but with the participation of respectable and respected minorities?

[Azcona] Your first question, whether I will make my word good, must be answered by someone else. I feel that I am in a position to make my word good. Regarding respect for minorities, it is a democratic principle. We consider ourselves democrats. We do not plan to disrespect or outrage minorities be they political, social, or of any other type. Thank you very much.

[Moderator] Journalist Jose Danilo Izaguirre, of San Pedro Sula's LA PRENSA, will now have an opportunity.

[Izaguirre] It has often been said that Dr. Suazo Cordova and Azcona cannot be reconciled with each other. However, history has shown that he who wins is more considerate, respectful, and shows more good will when he has reached the summit. Will Azcona be able to reconcile with Suazo Cordova?

[Azcona] I have said I am not an enemy of Suazo Cordova's I have never been his enemy. We have disagreed, particularly in politics. I don't see why we cannot be reconciled with each other or at least respect each other. I respect him and will continue to do so now more than ever because he will become a former president. It is easier for me to respect him when he becomes a former president than now while he is still president because I have been courageous ennough to oppose him openly and honorably during these 3 days. I am not an enemy of Suazo Cordova's. Time will tell whether we will again be friends, but we are not enemies.

[Izaguirre] Has Suazo Cordova acknowledged your victory?

[Azcona] He acknowledged it beforehand because he has been a staunch defender of the principle according to which the candidate who receives the largest number of votes in the winning party is the winner. On election day, I heard him say he would be happy to hand over his office to another liberal who would emerge the winner as the result of all of the votes from the liberal candidates or precandidates. We shared this stance even before the elections, not only now that this principle works for us. I also expressed this in public.

[Moderator] Journalist Jose Augusto Padilla, of Radio Marti, will now speak.

[Padilla] Reagan and Gorbachev, the leaders of the world's two superpowers, have just completed their summit meeting. According to international reports, regional topics were discussed, as well as Central America's (?role) in the relations between the superpowers. What is your opinion of the Geneva meeting between the two leaders of world powers?

[Azcona] Apart from the fact that the problems between Honduras and Nicaragua only concern those two countries, we cannot dismiss the fact that there are orbits in the world. We could tell that Nicaragua abandoned the Western orbit and is strongly supported by the Soviet Union. Naturally, this has caused conflict in Central America. We feel that if these two leaders discussed Central America's situation, it is because they are concerned over this situation. I believe there can be detente in Central America if, for example, the Soviet Union ceases to support Nicaragua's arms race and if we in Honduras can initiate an economy of peace. Unfortunately, we have not been able to have this since 1969, due first to the problem with El Salvador and then to the problem with Nicaragua. I think their discussion of Central America proved fruitful.

[Moderator] Miss Santa Santos.

[Santos] [Words indistinct] the U.S. Government. What will you do to recover Honduran dignity?

[Azcona] [Chuckle] Well, I don't think this thing about a protectorate...[changes thought] It can even be a misinterpretation. No, Honduras cannot be a protectorate of any country in the world. Honduras is free, sovereign, and independent. We must take into consideration and understand that there are no longer islands in the relations between the countries. Honduras must have relations, agreements, assistance, and concessions from other countries. Relations must be reciprocal. The idea is not only to receive, we must give something. Regarding this idea of a protectorate, as I said before, we will make all efforts so that the national sovereignty and dignity can be respected. Thank you.

[Moderator] Journalist Clotilde Coleman, United Nations press representative

[Coleman] Mr president-elect, do you and your government have plans so that the Honduran people can overcome their economic undevelopment?

[Azcona] In addition to the other problems that beset our country, I am under the impression that the worst current problem in Honduras is unemployment. As soon as we assume office we will take measures to begin solving the unemployment problem. Let's consider the health and education problems. Honduran governments have been postponing the education problem. No one has made sufficient efforts to solve the primary education problem. We believe this is the center of Honduran education problems. Six percent has been given to the university. We think this is right because we university people and professionals are entitled to protest and make demands. During this government, approximately 80 middle education schools have been made official. I think this idea is also good for fulfilling the principle of free education in these kinds of schools. Nevertheless, very little progress has been made in primary education because neither the children, peasants, nor workers can protest so that teachers attend classes, a sufficient number of teachers are appointed, children have teaching materials, and even so they can have lunch. We will stress and give more support to primary education.

HUMAN RIGHTS COMMITTEE WANTS U.S. TROOPS OUT

PA221938 Tegucigalpa LA TRIBUNA in Spanish 19 Nov 85 p 21

[Paid advertisement by Dr Ramon Custodio Lopez on behalf of the National Directorate of the Committee for the Defense of Human Rights in Honduras; dated 18 November]

[Excerpts] The Committee for the Defense of Human Rights in Honduras (CODEH) practices the principle of nonintervention in the affairs of other states.

For this reason we reject and condemn the intervention of foreign military forces in Honduran territory. This is the case of the U.S. and Somozist troops, whether they belong to Misura [Miskitos, Sumus, and Ramas] or to the Nicaraguan Democratic Force (FDN).

This rejection and condemnation are justified because both Misura and the FDN are involved in international terrorism everytime they kidnap Nicaraguan and other citizens in Nicaragua and bring them to Honduras. [passage omitted]

Representatives of the Association of Coffee producers of Danli and Eli Paraiso and others have not been paid attention by the Government of Dr Roberto Suazo Cordova or by the U.S. Government when they have charged that there are Somozists on their coffee plantations and that because of this they have been unable to harvest their grain and therefore are behind in their debt of more than 3 million lempiras.

Because of all this we believe that both the Honduran Government and the Armed Forces must disarm and expel the Somozist bands and also make these bands release their kidnap victims alive.

CODEH condemns the practice of international terrorism sponsored with money of the U.S. people that Mr Ronald Reagan has designated as humanitarian aid to violators of human rights and of our national sovereignty.

PAZ BARNICA ON CONTADORA, GULF OF FONSECA

PA231807 San Pedro Sula TIEMPO in Spanish 20 Nov 85 p 2

[Text] Tegucigalpa -- Foreign Secretary Edgardo Paz Barnica is optimistic and believes that the Contadora Group "should continue with its efforts, as peace can be achieved." Paz Barnica said that he favors dialogue as the only way to arrive at an understanding.

He added that there are only two fundamental points pending negotiation on which no agreement has been reached on the subject of security. "However, I think that we will be able to advance on these topics with good faith and political willingness." Regarding Nicaragua, Paz Barnica said: "Well, Nicaragua is boycotting the Contadora Group, and has not denied it."

On another subject, Paz Barnica said that "according to international law, the Gulf of Fonseca is a historical area which belongs to three countries: Honduras, El Salvador and Nicaragua."

Yesterday, several local newspapers published a report in which the Salvadoran Institute of Political and Economic Studies stated that the gulf "is ours."

"Now, according to the 1980 General Peace Treaty, there are certain aspects concerning the Gulf of Fonseca and certain islands which are still a matter of controversy between Honduras and El Salvador," Paz Barnica stressed. "So, the report you have just mentioned to me lacks credibility and significance," he added.

In another part of the interview, in reply to a journalist's question, Paz Barnica said that Roberto Perdomo Paredes was removed from his post as ambassador [to Colombia] "because he never complied with his duty. "He never performed his duties, and I have proof of a number of irregularities," Paz Barnica said. He added that Perdomo Paredes frequently criticized the foreign policy followed by Suazo Cordova's government. "For example, some weeks ago he made criticisms and, 2 days later, he went to visit me and told me that he wanted me to appoint him as a member of the Mixed Commission of Boundaries," Paz Barnica said. " I told him: Well, how can you expect to be appointed when you criticize Roberto and his foreign policy?" Paz Barnica continued.

Paz Barnica then said it was better to drop the subject of Roberto...[as published] Perdomo Paredes "because it would give credit to Chateaubriand's phrase that even the lions must defend themselves from the flies."

NICARAGUA

TALAVERA ON NEW DIPLOMATIC MISSIONS, UN DEBATE

PA221648 Managua Radio Sandino in Spanish 1200 GMT 22 Nov 85

[Text] Acting Foreign Minister Jose Leon Talavera said yesterday that the opening of diplomatic missions in Ethiopia, Iran, and India does not represent greater expenditures for the country. He said that the revolutionary government is better preparing itself to face in 1986 the grotesque campaign of misinformation and slander promoted by the U.S. Government. In this regard, the Foreign Ministry is making adjustments in the Foreign Service and rationing existing resources.

Regarding the diplomatic mission in India, Talavera said that it is very important, because the Nonaligned Movement has its headquarters in New Delhi. He said that this mission and the one in Ethiopia are a necessity. Ethiopia is a center for African organizations.

Regarding the closing of the embassy in Bolivia, Talavera said that a small office being serviced by Nicaragua's ambassador to Peru, Mauricio Cuadra, has been opened.

Here is a statement by Acting Foreign Minister Talavera:

[Begin recording] There will be a debate on Central America in the framework of the UN General Assembly during the regular period of sessions, which will go on until mid-December. Nicaragua will be represented by Deputy Foreign Minister Nora Astorga, who is in New York. Tomorrow she will be the first speaker in the debate on this difficult subject of the Central American crisis.

We are interested in many countries participating in this debate. Right now more than 100 countries have registered to participate in it.

We are interested in these countries exerting pressure so that the U.S. Government will stop its military and economic aggression against our revolutionary process and people.

In her message to open the debate, Companera Astorga will insist that it is urgently necessary to establish a dialogue and normal relations between the Nicaraguan and U.S. Governments. We trust that this debate on Central America will be a significant contribution to the efforts being made by several nations, headed by the Contadora Group, to pressure for a political and peaceful way out of the crisis being endured by Central America and that the final resolution issued at the conclusion of this debate -- which is scheduled to be continued on Monday and to issue a resolution on Wednesday, 27 November -- will clearly establish that the countries committed to peace in Central America want to hold a dialogue and to negotiate. [end recording]

TINOCO TERMS CONTADORA OUTLOOK 'DARK'

PA240247 Managua International Service in Spanish 0000 GMT 24 Nov 85

[Text] Nicaraguan Deputy Foreign Minister Victor Tinoco has asserted that the outlook for the Contadora Group is dark because of the United States' lack of political willingness. He stressed, however, that the pacifist organization is not in its death throes, but is passing through a difficult situation due to the U.S. intransigence.

The Nicaraguan official pointed out that, while the Contadora Group makes efforts for peace in Central America, the Reagan administration is bent on expanding war in Central America.

PLI LEADER ABARCA RELEASED BY STATE SECURITY

PA251938 Panama City ACAN in Spanish 1827 GMT 25 Nov 85

[Text] Managua, 25 November (ACAN-EFE) -- Political sources reported today that Bosco Abarca Lacayo, secretary general of the Indepenent Liberal Party's [PLI] departmental board of directors in Managua, has been released by State Security authorities.

The sources added that Abarca Lacayo, a business administrator with a masters degree from the Central American Institute of Business Administration (INCAE), was arrested last Wednesday at the Immigrations Department.

The Liberal politician was released last Saturday, and PLI spokesmen said that the authorities did not explain the reasons for his arrest.

The PLI participated in the 4 November 1984 elections, obtaining 105,493 votes. According to the electoral results, the PLI became the third political force in that Central American country.

INTERIOR MINISTER BORGE INTERVIEWED ON REVOLUTION

PA221614 Managua LA PRENSA in Spanish 11 Nov 85 pp 2, 5

["Exclusive" interview with Tomas Borge, minister of the interior, by the magazine PENSAMIENTO PROPIO, published in Edition Number 24, dated June-July 1985; reproduced by LA PRENSA "at the request of our readers"]

[Excerpts] PENSAMIENTO PROPIO: How would you describe the situation of the people's participation in the revolutionary process?

Borge: I think we would have to turn that question around. The revolution is not a project in which the people participate to a greater or lesser degree, but rather the revolution is what the people have made it. At any rate, the errors or faults which may have somewhat affected the people's participation in certain aspects must be attributed to the revolutionary leadership. But we must also understand that these errors are practically inevitable in a situation such as the one the revolution is currently experiencing, threatened by a very aggressive U.S. Government, not only by the nature itself of imperialism, but also due to the very particular and deep hatred that President Reagan has for Nicaragua.

PENSAMIENTO PROPIO: It has been said on several occasions that the basic principles of the Sandinist revolution, such as a mixed economy and political pluralism are tactical principles. Is this true? How does this relate to the development of the people's participation?

Borge: The Sandinist revolution was born in a hemispheric geopolitical area, in the U.S. "backyard." It is not an island, like Cuba, and our process is influenced much more by the regional situation.

This geopolitical factor has forced us, independently from our will, to develop political pluralism and a mixed economy. The development of this tactic has turned it into a strategy, and today, the mixed economy, for example, is neither an operational option nor a camouflage. It is a strategy.

This scheme makes much more difficult the role of the revolutionary leadership within the masses. Political pluralism, mixed economy, and the more general traits of the revolution tend to confuse the masses. An ideological project which is as clearly defined as the one that existed in Cuba does not exist. Ours is a complicated project, and complicated projects confuse the masses. So far we have not been capable, and probably we will never be sufficiently capable, of enhancing popular understanding of this very complex situation. Sometimes we have not been sufficiently receptive to the people's concerns. There are some aspects of this extremely complex revolution that not even we are capable of understanding.

PENSAMIENTO PROPIO: Could you provide a specific example of this contradiction between the popular nature of the revolutionary process and the framework of political pluralism and mixed economy; that is, national unity?

Borge: One very clear case is freedom of expression. We have had to live with that principle but without being able to explain sufficiently to ourselves what that means. Thus, the meaning which is usually given to it throughout Latin America as well as the rest of the capitalist countries has been institutionalized in our country. And in a way, we have accepted that concept.

However, if we analyze the problem more deeply, to what freedom of expression are we referring to? LA PRENSA is censored, but not only by us. It practices a self-censorship, that is, it censors the revolution, it does not report on the revolution, because it is obeying class interests.

The Nicaraguan people, the masses, never had so much freedom of expression as they do now in the public plazas, in programs such as "Face the People" with the leaders, as well as freedom of written, broadcast and televised expression. For the first time, the people are able to air their views. It is true that there are certain limitations, particularly for bureaucratic reasons, and because we do not have a completely clear idea of the role of the communications media. However, in spite of these limitations, the people express themselves. There is true freedom of expression in Nicaragua.

Nonetheless, we also have to live with that other freedom of expression which the daily LA PRENSA possesses for attacking the revolution, and we even have to defend and justify that freedom of expression before U.S. Congressmen, our European friends, and the Latin American rulers. And we do this, in spite of the fact that even an open contradiction exists between freedom of expression and the defense of a political project -- the revolution -- which needs to survive, maintain its space, and answer the specific requirements of the masses.

PENSAMIENTO PROPIO: How much can one justify the lack of criticism and self-criticism within the revolutionary process as part of its own defense? Where is the point of balance? On the other hand, how does reactionary propaganda affect the masses?

Borge: First, we would have to see what type of criticism we are talking about. Could we say the daily LA PRENSA is critical? That is not being critical. One must not confuse freedom of criticism with the freedom the daily LA PRENSA and Radio Catolica have for criticizing the revolution. When this subject comes up, we should ask ourselves: What kind of criticism the daily BARRICADA or EL NUEVO DIARIO observe? How about Sistema Sandinista de Television, Radio Sandino, or La Voz de Nicaragua? Then, we must take note of the mistakes we make, because we do make them.

Criticism should be intended to be constructive, but the criticism from LA PRENSA, from Radio Catolica, and the whole lot of propaganda from abroad is intended to be destructive. Only constructive criticism is acceptable in a revolutionary process.

However, in our country, the criticism from the opposition parties, although they fail to organically bind the masses, does exert some influence over the masses. That is, this propaganda is not sufficiently influential to attract them, but it does confuse them. For example, the reactionary propaganda on supply, the war, or the SMP (Patriotic Military Service), will not convert the masses to social Christianity, but it will confuse them.

I believe there is an intermediate sector of the people not aligned to anyone from a partisan viewpoint, which is capable of going along with the revolutionary process in some aspects, while it questions it in many others.

For example, there are sectors of the population which honestly believe in the need to hold dialogue with the counterrevolution. We have tried to explain why we must not hold such a dialogue.

We have explained that such a dialogue would deny the very existence of the revolution, and I believe we have provided valid arguments, although perhaps we have not insisted enough. Actually, the reactionary propaganda, identified in many aspects with the counterrevolutionary propaganda, has convinced, if not the majority, at least an important sector of the population to consider positive a dialogue with the counterrevolution. Some say it would improve the situation. Others claim it would bring peace, while still others merely leave the issue up to the government's decision.

PENSAMIENTO PROPIO: Would you say that the basic problem of popular participation, on the basis of this ideologic confusion, actually takes place in the cities? Isn't deceit more difficult in the war zones, where the people have a better opportunity to compare the message with the facts?

Borge: There are confused sectors in the urban regions, but religious and reactionary propaganda as well as counterrevolutionary propaganda also reach the rural areas. We must not underestimate the work of the church in the Pacific rural areas. I would say that, just as the armed counterrevolution has given high priority to the north and center of the country, the reactionary religious sector has likewise given high priority to Region 6, bordering Managua, and particularly Masayo. They are there. They do not carry machine guns. They do not fire bullets. They fire ideas, which is a dangerous arsenal.

In rural areas, the war clarifies things, but then, there is also much backwardness. We must realize that in the war zones, the might and symbol of the military force is most important. That is, a well-armed enemy unit accompanied by a demagogic speech can seriously confuse the population. On the other hand, any of our units could make serious mistakes if it does not bear that factor in mind. If our boys arrive ideologically colorless; that is, convinced that theirs is a just cause and that this should be obvious to the peasants, they will be acting as solidiers defending that just cause rather than a political messengers. This should not be so. It is not so.

PENSAMIENTO PROPIO: Can't the military war be lost by failing to win the ideological war?

Borge: Yes, if we abandon the ideological war. At this moment, we are simply giving priority to the military war but without abandoning the ideological war. We have assigned forces to contain the enemy's ideological offensive, while our main force is used to defeat the military enemy. Once we can assign better cadres to this ideological front, the situation will improve qualitatively.

As of now, we are hitting the logistic rearguard, the supply centers of the enemy. This could revert qualitatively, and in short term, the nature of the war. The counterrevolutionary war is doomed to failure in a historic short term. I speak of 1 or 2 years.

PENSAMIENTO PROPIO: In that term, what are the perspectives of the war of attrition? What possibilities do the counterrevolutionary forces have to increase the internal instability and create an internal front?

Borge: Imperialism has tried to wear us out; I believe that the coercive economic measures and the counterrevolutionary war may deteriorate the internal situation. However, this shows an ignorance of reality. This is a historic strategic mistake of the U.S. Government, because it should know that true revolutions, which have changed the nature of power through a change of classes in the state leadership, are irreversible.

PENSAMIENTO PROPIO: We understand you are in charge of Special Zones 1 and 2, and are president of the Atlantic Coast National Autonomy Commission. Could you tell us about the significance of this project for Nicaragua?

Borge: The autonomy project is not a circumstantial solution. It is a long-range answer. It is Nicaragua's contribution to mankind. The project is the legal expression of recognition by the revolution, of the neglect and oppression suffered by the Indian communities and ethnic groups for thousands of years. The revolution has promised to find an answer to this situation at all levels. The autonomy project of the Republic of Nicaragua is not an academic debate about the Indian problem. It is not the creation of a state to assist the people. It has intellectual cadres engaged in field work in the region, on the economic, political, cultural, and social aspects.

The ministries are discussing their work plans, which are directly associated with the coast. There are plans to regionalize enterprises. All of this is simultaneously taking place with the meeting of regional and national autonomy commissions. These commissions are discussing the principles that will regulate autonomy and, above all, they are zealously ensuring popular participation.

The autonomy project is a national project. The entire nation will benefit from it: the Atlantic coast as the direct beneficiary and the Pacific coast because it receives the Atlantic coast's cultural inheritance. They both benefit because prejudices and misunderstandings are eliminated.

PENSAMIENTO PROPIO: Commander, how does the autonomy project affect the military activities in the Atlantic?

Borge: The autonomy project is a political project. The problems of the coast demand a political solution. We have never thought of a military solution, and we have rectified our mistakes in this respect. We do not believe that the demands of the Nicaraguan Indians, of the Nicaraguan ethnic communities, are unjust. We differentiate between the just demands of those who have nothing and the unjust demands of the enemies of our homeland. We cut the waters in half. The Indians are on our side. Nicaragua is the first Latin American country that has admitted the multi-ethnic nature of our nations.

PENSAMIENTO PROPIO: In view of the possibility of a prolonged war and economic crisis, what do you think will be the people's political tendency?

Borge: Well, first of all, as I said, I do not think the war will continue much longer or indefinitely.

However, if a U.S. intervention does not occur, the ideological war and conspiracy would be first. We would then have to concentrate our efforts on developing our counterintelligence and would have to rely even more on the masses to face the situation.

In any event, I believe there are basically three political tendencies developing within the masses. There are two active sectors, the counterrevolution and the revolution, of which the latter is the strongest, while the sectors supporting the internal reactionary forces and the counterrevolution have always been a minority. Then, as I said, there is a third sector in the middle which is either confused or attracted to the revolution.

Most of the time the definition of this sector will depend on simple things such as a petty social program, a children's park, or the like which make it possible to recover the support of these backward sectors.

PENSAMIENTO PROPIO: Do you believe the economic boycott will bring about important changes in Nicaragua's international economic relations? Will this reinforce the alignment with socialist countries? With Latin America?

Borge: I believe that we are going to receive a lot of assistance from many countries in the world, particularly from socialist countries, but this is not going to solve our economic problem. Nevertheless, this situation will not alter Nicaragua's pattern for the time being. Perhaps, as time goes by there may be a natural change in the process when we have reached a new political stage. However, this will not be determined by decree. It must be a natural offspring, as when the trees bloom following a rainfall.

Our political desire is to have close links with Latin America; however, this will depend on the changes that have taken place and that continue to occur in those countries. The Nicaraguan revolution has had an influence in those countries. The Latin American elites are afraid of revolutionary changes, and thus they prefer democratic transformations. These countries do not want to see the Nicaraguan revolution crushed just as much as they do not want our revolution to trespass certain limits. What would happen if our revolution is destroyed? The "gorilla" kingdom would return to Latin America; the military would take over Uruguay and Brazil. If this occurred, the next stage of changes would only be possible through revolutionary movements.

That is why those governments want Contadora to continue its efforts; because Contadora is a wall of contention opposing a direct intervention, and it is also an instrument of political influence over Nicaragua. In fact, when we agreed to sign the Contadora document we had to make some concessions which were necessary for the sake of peace, but they were concessions after all. Therefore, Contadora is a tool of political influence in favor of a democratic model, and the Contadora presidents and the majority of the Latin American heads of state are aware of this.

Although Contadora sometimes assumes a belligerent attitude toward the United States, we must realize that, on the contrary, Contadora is not antagonistic toward the United States. The development of revolutionary processes in Latin America is indeed an antagonistic contradiction toward imperialism. Although it is not antagonistic, the Contadora-U.S. contradiction is maintained due to objective reasons. Although it has not been specified in any of its speeches on legal procedures, Contadora tries to find a nonviolent solution to the Central American crisis, as well as for each of the Latin American countries. Contadora will not be dissolved. It is an objective necessity and hence will not be dissolved.

BARRICADA INTERVIEWS RAMIREZ ON AID, CONTADORA

PA221708 Managua BARRICADA in Spanish 11 November 85 p 2

[Interview with Nicaraguan Vice President Sergio Ramirez Mercado by BARRICADA reporter Maria Alicia Talavera -- date, place not given[

[Excerpts] BARRICADA: What is the financial aid plan? What support has it received?

Ramirez: To begin with, the trip to South America had three basic objectives. The first was to discuss and comment on Nicaragua's stance regarding the peace efforts in the Central American region. The second objective was to introduce to those countries a plan for financial aid to Nicaragua in which the Governments of Brazil, Argentina, Peru, and Uruguay had shown some interest. This plan seeks to help Nicaragua face its foreign debt problems. The third objective was to discuss bilateral economic relations and Nicaragua. We can affirm that the contacts we made in this regard have been highly successful. We have found that the governments of these countries greatly understand and are committed to supporting Nicaragua because they are aware of the economic difficulties stemming from the war.

This plan would involve several Latin American countries. At present, we are holding consultations with the Governments of Argentina, Peru, Uruguay, and Brazil to forge ahead with this plan.

BARRICADA: To whom was the plan introduced, and how was it received?

Ramirez: I discussed this matter at length with Argentine President Raul Alfonsin. I introduced the plan to him and it was his idea to consult with the other governments, including Brazil. The Brazilian reaction was so positive that Foreign Minister Olavo Egidio Setubal publicly announced Brazil's willingness to participate.

In addition, in Brazil, Argentina, and Peru we revised lines of bilateral cooperation opening new prospects for 1986 so that we will receive supplies that are basic to our country (machinery, vehicles, component parts, and raw materials) through bilateral credits with those countries.

I would say that we are entering a major phase of political and economic relations with those countries, showing that there is a political commitment to support Nicaragua.

BARRICADA: Within the framework of the discussions of the Contadora Group, Reagan administration officials have made aggressive statements such as the one by [U.S. Under Secretary of Defense] Fred Ikle who, after admitting the contras strategic decline, threatened an invasion. How far have the negotiations really advanced, and what are your views on those threats?

Ramirez: We have attended the most recent rounds of Contadora Group discussions, which began after the new Contadora document was introduced, with the desire to advance and reach actual agreements. However, as the discussions progressed we have striven to indicate that any peace agreement reached within the Contadora Group will be missing a fundamental element: the U.S. determination to seriously accept commitments in the Central American region.

Without that determination, no agreement will be viable; this is what I told the heads of state whom I met during my latest trip. On this issue, we have found that there is agreement; namely, if the United States does not participate in earnest by accepting this commitment, the Contadora Group's advancement will be difficult.

Father Miguel D'Escoto is going to attend a meeting in Luxembourg to sign an economic cooperation agreement between the EEC and the Central American countries. To us, this is of great importance because the United States has wanted to exclude Nicaragua from a global cooperation agreement.

During the discussions for the new economic cooperation agreement, Nicaragua had the initiative to not only promote Nicaragua's interests, but also the interests of the other Central American countries despite the existing political differences.

We believe that the major breakthrough was that we managed to sign a cooperation agreement between the EEC and Nicaragua before we signed the peace agreement, which is something the United States opposed. The United States still feels that the involvement of European countries through this kind of financial aid program for the region, which clearly provides a support for peace, constitutes unacceptable interference in the Central American zone, which it views as its area of influence.

Fred Ikle's recent statements conceded that the mercenary forces have lost the military initiative, do not have the capabilities to respond, and have entered an irreversible process of military decline. Yet once again the U.S. Government showed its teeth and nonchalantly stated that if the counterrevolutionary military forces are defeated, the U.S. alternative is direct intervention. To this we add the statement by Harry Shlaudeman conditioning talks to the National Assembly discussion.

Therefore, there are not ONE but TWO [published in boldface] inadmissible factors which reveal the U.S. Government's intransigence. Shlaudeman's insistence on seeking some Nicaraguan official while President Daniel Ortega was there (United States) shows his reluctance to the talks. [sentence as published] From the start we knew that this rapprochement did not mean the United States was committed or that it had changed its commitment to serious talks, which is what we continue to request, as President Ortega stressed during his speech at the United Nations.

Coincidentally, there had never been so much proof of the counterrevolutionary presence in Honduras. As long as Honduras continues to be an irrational instrument of U.S. interests and compromises its sovereignty, we will make little progress. We trust that the new government will be sufficiently motivated to discuss bilateral relations with Nicaragua.

BARRICADA: Recently there was a big fuss in Nicaragua over an alleged trip to a conference in San Jose. This coincided with a statement by Costa Rican President Alberto Monge seeking to improve relations with Nicaragua. How would you explain these two developments?

Ramirez: We want to normalize relations with Costa Rica. We will not place any stumbling blocks in order to allow President Monge create the conditions to achieve this goal. We hope the president will be able to do so.

The fact is that the problem lies with Costa Rica's extreme right which has great influence over the news media. This sector is opposed to normalization and daily bombards the public against the normalization. Therefore, President Monge must settle this issue in Costa Rica. We are prepared to do everything within our reach to remove any obstacles for him. For several months we have been requesting Costa Rica's approval of our ambassador there, but we are still awaiting a reply.

As for the visit, here is an example of how an artificial situation was created to hamper relations with Nicaragua. I received an invitation from the Costa Rican presidency signed by Armando Vargas, minister counselor for information and communications, to attend an international seminar sponsored by the Costa Rican presidency.

Several Latin American and European political leaders were also to attend. This created a large commotion as if I had not received an invitation or as if I were a party crasher. Nevertheless, I wrote accepting the invitation because I was interested in the seminar and in speaking to the Costa Rican people. Later, I had to decline the invitation because President Ortega was leaving the country at the same time, and I was legally barred from leaving the country. I appointed companero Rogelio Ramirez, a National Assembly representative, as a delegate.

It was worth noting that previously the course of the political campaign was to pressure political candidates to see who would appear more anti-Nicaragua, and who would be the first to break relations with Nicaragua. At present, that course has changed positively. Now, there is talk about peace, the risks war would bring to a country like Costa Rica, and the negative impact of a clash promoted by right extremist forces. We feel that in the long run that course may contribute to fostering normal relations between Nicaragua and Costa Rica.

OPPOSITION ISSUES DECLARATION ON SITUATION

PA232141 San Jose LA REPUBLICA in Spanish 13 Nov 85, p 7

["Declaration of the Nicaraguan Opposition Coordination Board on the National Situation," signed in San Jose, Costa Rica, on 6 November 1985, published as a paid advertisement]

[Text] To: The Nicaraguan people.

To: The democratic peoples and governments of the world.

The Nicaraguan Opposition Coordinating Board [Coordination Opositora Nicaraguense -- CON], deeply concerned over the situation in and outside of the fatherland, wishes to make the following statement for the purpose of clearing up the obscure panorama that affects the future of Nicaragua and of the entire continent.

The Exile Situation

The forced exodus of Nicaraguans of all social levels and of very different political trends, has resulted in their splintering into groups that have only undermined the unity that was urgently needed for the struggle for vindication. Up to a point, the image of the magnitude of our cause has been lost, giving way to personalisms or to sectarian interests which in no way benefit the liberation of our fatherland, and rather create favorable conditions for the consolidation of the tyranny that is in power in Nicaragua. Nevertheless, we note with satisfaction the enormous efforts being made to overcome this situation.

It is true that the Nicaraguan revolution was the result of the long, tyrannical, and corrupt regime of the Somozist dynasty and of profound socioeconomic imbalances. However, once the insurgency triumphed, the Soviet-Cuban intervention turned the country into an East-West confrontation site. Consequently, all Nicaraguans should assume, with absolute responsibility, our position of struggle in the face of this challenge that history has given us. We know that the amount of communist war materiel in Nicaragua is enormous and is increasing in a geometric progression. Therefore, U.S. influence and aid for our struggle becomes essential. However, this reality must not drive us to place ourselves entirely in the hands of the U.S. Government, nor should it become an obstacle to keep us from demanding our right to defend what belongs to us historically and by birth.

On the other hand, the Latin American countries have been insensitive, denying us their solidarity in these moments when Nicaragua is struggling for its liberty and independence.

In view of all the foregoing, CON points out the unpostponable need for civic organizations in exile to arrive at minimal points of convergence, so that jointly they can demand solidarity from all of America for this effort, which represents not only the salvation of our nationality, but also the security of Latin American countries. We should be faithful to our historical reality, and structure a strategy that shows up the totalitarian and expansionist character of the nine commanders' regime, and not dilute our efforts in sectarian politics, considering as enemies organizations that, in our opinion, are adding their grain of sand to the structure we are planning to build. To dissent is something else. To promote dialogue within the Nicaraguan family should be everyone's task, in order to find common objectives. We should not forget that history will judge our actions and will say who was right. Our duty is to the great majority of Nicaraguans, who expect from us what is difficult for them to achieve because of the repression of their oppressors.

International Situation

Many international events have occurred in recent months that have had a negative effect on our cause. Latin American anti-U.S. feeling has directly or indirectly favored the Marxist-Leninist regime of Nicaragua. The OAS vote in the case of Costa Rica, when that country demanded that the Nicaraguan Government be censured for the killing of two civil guardsmen by the Sandinist People's Army at Las Crucitas in Costa Rican territory, was a barometer of the anti-U.S. sentiment of the continent's governments. Afterwards, a new attack by that same Army on Honduras caused no commotion. The kidnapping of the Salvadoran president's daughter which, according to him, was closely linked to the Nicaraguan regime, also brought very little change in international relations.

The hesitant U.S. policy has in great part generated indifference in Latin America where, although the leaders are conscious of the danger that a communist regime on the mainland of America poses, and in private they admit that the Nicaraguan dictatorship is execrable, in public they make statements that are alien to the consciences of true American democrats, precisely because of the absence of a real leadership that could neutralize the leadership of the extreme left, embodied by Fidel Castro Ruz. These are some of the concrete facts that prove either the indifference of Latin America or fear of Moscow's assault. We Nicaraguans should carry out our own campaign to prove that the exodus of Nicaraguans of all social and intellectual levels should not be interpreted as was done so by the nine Nicaraguan tyrants, that is, as a right-wing backlash against a socialist regime, but rather as a nationalistic reaction to a foreign intervention, within a Marxist-Leninist system that is tormenting our people. We should make it clear that our movement demands deep social reforms within a democratic system; therefore, we do not represent old oligarchies that are divorced form the socioeconomic evolution our country needs. We must explain that the sacrifice of our fellow citizens on the battlefields or in harsh exile is in defense, not only of Nicaraguans, but of all America. We must point out that terrorist groups like the M-19, Shining Path, and the Salvadoran guerrillas are nourished by the terrorism that has taken power in Nicaragua, and that only with a continental alliance can we act offensively, rather than defensively as we are presently doing.

The United States during the Carter presidency -- and some Latin American countries -- were key factors in the surrender of power to the communists, without filling the power vacuum left by the Somozist dictatorship with democratic elements. Therefore, those nations have a debt to pay to Nicaraguans. However, paradoxically, the strongest power on earth is hog-tied by its European and American allies: Europeans, who because of colonial nostalgia, oppose any initiative born in the United States; and Latin Americans, who have accumulated resentment throughout our turbulent history. Unable to act directly, the U.S. Government has been supporting the guerrilla war that has been taking place in Nicaragua for the past 3 or 4 years.

We Nicaraguans were led to believe that this would constitute the beginning of the end of the totalitarian regime. However, after all these years of frustration, we are reaching the conclusion that the objective of the United States has been only to exert pressure; to arrive, so it seems, at a negotiated solution in which the fate of the heroic Nicaraguan peoples does not matter; what matters is a guarantee from international communism that it will not attack other nations on the isthmus by means of the Nicaraguan expansionist Army. With this attitude, the tragedy would perhaps be delayed for some years; however, communism would attack again, stronger than ever. Meanwhile, our Nicaragua is suffering an average of 100 deaths every day, most of them youngsters, which immerses our families in misery and misfortune as a result of a war that has not attempted to definitely overthrow the FSLN's Marxist-Leninist regime. It has instead harrassed them, with an eye toward negotiation. What about the Nicaraguans? And the dead? And the crippled? And the democratic future of Central and Latin America?

The CON believes that we should not be opposed to a true solution in Nicaragua; however, we demand clarity in the process and participation by Nicaraguans in the big decisions adopted, because the immolation of our peoples cannot continue indefinitely. No one can decide our destiny. We are the ones who must, without unhealthy nationalism, set the pertinent rules for a true solution of the Nicaraguan problem.

Conclusion

The United States, as the democratic superpower involved in the Central American problem, in line with its own interests, has been considering a series of options that could dangerously lead to a new "Bay of Pigs" in Central American territory, because it seems to us that the option selected in Nicaragua is two-pronged:
A. Heavy harassment through guerrillas and an economic embargo to weaken it.
B. Once this has been achieved, negotiation with the condition of nonintervention in the remaining countries of the area, to thereby avoid Nicaraguan interference with world wide U.S. politics.

It is obvious that the U.S. points of view and those of Nicaraguans are, to some extent, diametrically opposed. They pursue their security and retention of the role as a world superpower. We pursue our freedom as peoples, in all orders of our national life. They support a guerrilla war in which not one of them is killed, while millions of us are killed with no positive results for our cause.

The CON believes that there is an unpostponable need for the United States to declare once and for all if as our ally, it is prepared to accompany us in the definitive struggle that would allow us Nicaraguans to achieve our freedom, or if it is willing to surrender in negotiations.

It is necessary to take into account that as time passes, the Marxist-Leninist government of the FSLN becomes stronger, because it has not stopped its arms buildup or the militarization of the country; therefore, the struggle for the liberation of the Nicaraguan people becomes more difficult every day. It should also be borne in mind that if we lose this struggle, not only will the Nicaraguan peoples suffer the consequences, but also, one by one, all of the other nations in the area will fall into the communist domain, with disastrous results for all Latin American peoples and even for the United States.

Finally, we make a dramatic appeal to the Lating American peoples and governments to express their real solidarity with the heroic Nicaraguan peoples, struggling at this movemt at a disadvantage against the Marxist-Leninist system imposed in our fatherland by the FSLN, which serves international communism.

We reaffirm these concepts with the conviction that as long as there is no peace in Nicaragua, based on justice and freedom, there will be no peace in Central America.

San Jose, Costa Rica, 6 November 1985

Nicaraguan Conservative Party in Exile (PCNE), Dr Fernando Aguero and Mr Armando Icaza; Social Democratic Movement of Nicaragua in Exile (MSDN), Wilfredo Montalban and Mario Alfaro; Independent Liberal Party in Exile (PLIE), Adolfo Gabuardi and Porfirio Molina; Nicaraguan Democratic Movement (MDN), Fabio Gadea and Walter Balladares; Nicaraguan Social Christian Party in Exile (PSCN), Dr Roberto Ferrey and Abel Melendez; Solidarity of Nicaraguan Democratic Workers (STDN), Zacarias Hernandez and Carlos Martines; Committee of Democratic Nicaraguan Workers (CTDN), Angela Flores and Marvin Campos; Nicaraguan Private Enterprise in Exile (EPNE), Dr Gilberto Serrano, Reynaldo Hernandez, Faud Farach, Alvaro Solorzano.

Faud Farach, spokesman; Vincente Rapaccioli Rappaccioli, secretary; responsible signature: Carlos Jose Chamorro Gutierrez, Refugee I.D. No 071160743985

OPPOSITION LEADER ON CONTRA TRAINING CAMP

PA221924 Mexico City EXCELSIOR in Spanish 13 Nov 85 p 27-a

[By Manuel Torres C.]

[Text] Tegucigalpa, 12 Nov -- The anti-Sandinist Nicaraguan Democratic Front (FDN) refuses to be officially considered a "phantom" in Honduras and is exposing its relations with the Armed Forces in response to the local Foreign Ministry's impotence. The ministry is afraid to be a spectator at the burial of its own international credibility.

Authorities here have never admitted the existence of the "contras" in national territory, but the anti-Sandinists are determined to prove the contrary, and they seem to be allergic to discretion, maintaining, for example, a supply and training center a few steps away from a Honduran military complex.

The FDN installations reported by an opposition newspaper have set off an effort to remove that counterrevolutionary organization's entire network of operations from Honduras, a country that shares a 700 km-long border with Nicaragua.

Edgard Chamorro Coronel, a former member of the FDN High Command, said during a telephone interview from Miami to the newspaper TIEPMO, "I have been informed that La Quinta School was founded in 1982 to train paramilitary groups, and up until 1983 it was managed by 12 Argentine advisers."

That South American contingent was directed by Argentine Colonels Santiago Villegas and Oswaldo Rivera, according to former Jesuit Chamorro Coronel's statements.

When the Argentine military dictatorship was making way for democracy, the advisers left Honduras, also troubled by the problems they had with the U.S. specialists, as they were not used to sharing their command in Central America.

Chamorro Coronel said that after the coup against General Gustavo Alvarez Martinez in March 1984, the new military hierarchy ordered the transfer of the military troops from La Quinta School to the strategic command located in Las Vegas, near Nicaragua.

Logistics in Honduras

"Now this headquarters near Tegucigalpa is dedicated to support matters such as radio communications, press information, and supplies," the former anti-Sandinist leader said.

He pointed out that the reserves accumulated at La Quinta School were transported "in Honduran trucks and helicopters to the border, then taken to bases such as those located in Las Vegas, Banco Grande, and La Lodoza in the eastern zone."

Chamorro, formerly in charge of FDN communications, said that the Honduran military base in El Aguacate in the eastern Olancho Department, serves as an airstrip for planes and helicopters that "transport arms, ammunition, and people, when the highways are closed, or to very remote areas."

He added that the anti-Sandinists even rented combat planes to protect the supply flights, but at the end of 1983 that practice became burdensome from the monetary standpoint.

Chamorro Coronel said that when La Quinta School was fully active, the United States provided the money, Honduras provided the territory, and Argentina provided the trainers.

Since July 1984 Chamorro Coronel has not been allowed to enter Honduras, and he is no longer a member of the FDN, from which he says he separated because "it is formed by persons who only want a military solution of the Nicaraguan conflict, without thinking about the chain of war this would unleash."

His statements, along with various internal statements, doubtlessly place the Honduran Government and its diplomacy in a difficult situation, although they are used to struggling against the current.

Dangers for Honduras

According to political analyst Ernesto Paz, a former Foreign Ministry official, "the Honduran Government cannot officially admit that there are contras in its territory, because to do so would be a violation of the principles of international law, and it would go against the spirit of Contadora."

He added that Honduran authorities have the international duty to respect the principles of nonintervention, self-determination of peoples, and peaceful solution of conflicts.

Paz stressed the need to put Honduras' interests first, and commented that the "contras" are capable of unleashing a war between "our country and Nicaragua."

Unofficially, it is calculated that the FDN has approximately 10,000 armed men, which is equivalent to 50 percent of the local Armed Forces. This endangers national defense.

For some analysts the Honduran people are concerned over the active presence of the "contras," and they criticize the negative repercussions this has for the country on the economic, political, and social levels.

Nevertheless, this does not mean that those who are against the rebellious Nicaraguans are pro-Sandinists. Deep inside, several critics point out, what is stated is a survival problem because the Reagan administration still cannot convince the majority of Hondurans of the need to sacrifice themselves for ideological interests that do not keep them awake at nights.

ARDE CHARGES THREATS AGAINST PEASANTS AIDING REBELS

PA231447 Panama City ACAN in Spanish 2353 GMT 22 Nov 85

[Text] San Jose, 22 Nov (ACAN-EFE) -- The anti-Sandinist forces led by Commander Eden Pastora have charged that the Nicaraguan Army warned the people not to give any assistance or support to the rebel groups operating in the southern part of the country.

A spokesman for the Democratic Revolutionary Alliance (ARDE) said that, following instructions of Nicaraguan Defense Minister Humberto Ortega, the officer in charge of San Miguelito in the southern part of the country called on the population and warned them "that they were seriously concerned over the attitude of the peasants in the southern and central region of the country."

His concern, according to Donald Castillo of the ARDE political directorate, is due to the fact that there is a suspicion that the people in the area are "the ones supporting the anti-Sandinist guerrillas." Castillo said that the Sandinist military chief said on 9 November that he had orders to "eliminate" those considered suspicious, including "their next of kin."

The spokesman added that 2 days after this "macabre" meeting, several peasants were murdered for "their alleged collaboration" with the rebels in the vicinity of San Miguelito. The peasants that were murdered were identified as Jose Emilio Ramirez, Pedro Sequira, Moises Reyes, and his 11-year-old son, Hilario.

ARDE and the Nicaraguan Democratic Force (FDN), the main anti-Sandinist force allied to the United States, are the two largest groups fighting in the military field against the government of President Daniel Ortega.

CASTRO TOURS PROVINCES HIT BY HURRICANE

FL261854 Havana Radio Reloj Network in Spanish 1532 GMT 26 Nov 85

[Text] Canefields and other crops blown over, thousands of houses destroyed or roofless, sugar mills and other industries that look as if they had been bombed, and great stretches of severely damaged highways, electric power lines, and telephone lines is the panorama that the passage of Hurricane Kate left behind in seven Cuban provinces, according to a report published today by the newspaper GRANMA. When the winds had hardly begun to lessen our commander in chief, Fidel Castro, began an inspection trip through the affected provinces and saw the people standing straight in the face of the worst natural catastrophe from the economic standpoint that Cuba has suffered in this century, which makes it necessary to make an exceptional effort in the coming months, especially in the sugar harvest.

From the night of 18 November on, Fidel maintained permanent contact with party leaders of the provinces most severely hit by Hurricane Kate. Our top leaders' main instructions concerned the safety of the people and measures to be taken to safeguard economic goods.

On 19 November, when the hurricane winds had only begun to drop, Fidel visited Miramar, Vedado, Centro Habana, and other areas of the capital to determine the consequences of the hurricane. During the evening of 19 November our commander in chief called numerous ministers and vice presidents of the government to the Palace of the Revolution to draw up a preliminary evaluation of what had happened to Cuba. One of the conclusions was that in more than 500 km not one stalk of cane remained standing.

On 20 November Commander in Chief Fidel Castro set out for Matanzas. The destruction caused by Hurricane Kate was visible from the Via Blanca. In Matanzas Province, after meeting with leaders of the party and government, Fidel visited Varadero, Cardenas, Playa Larga, and agricultural areas in the north, where he found that Matanzas was one of the hardest hit provinces. He also determined the great need for sheets of zinc, fibrocement, and tiles to repair the damaged roofs of houses and work centers. Because of the volume of the requests, our top leader said it was necessary to establish priorities that would reflect which elements were most important to achieving a balance between the requirements of the economy and the population's need for housing.

Continuing his trip along the northern coast, Fidel visited Villa Clara Province, where he observed severe damage to the homes of vacationers and inhabitants of Las Playas, La Panchita, El Salto, and Ganusa, where the ocean had penetrated as far as 900 meters inland, and, as in other areas of the northern coast, where hurricane winds had swept the area.

Fidel studied possible solutions to the damages, what type of buildings should be built, and what support was needed. The people of Villa Clara, as in each place visited by our top leader, enthusiastically manifested their willingness to mobilize and, with their own efforts, heal the wounds caused by the hurricane. In a study made of the very serious problem of the canefields and the sugar harvest with leaders of the party and people's government in Villa Clara, Fidel said it will be necessary to mobilize and cut a lot of cane by hand. There are no cane harvesters. It will be necessary to cut and load cane by hand wherever needed. The sugar harvest is our most serious challenge, and we will have to fight, Fidel added. After we calculate our losses we will have to draw up a strategy. We may have to mobilize industrial workers because we must process the cane torn out by the winds. Fidel also stressed the moral importance of giving aid to everyone who has lost a roof, equipment, or tools. The coming battle, he said, can be won only by the people.

The close contact of our commander in chief with workers, people, and local leaders continued on 21 November with a visit to Sagua la Grande, Encrucijada, Vueltas, and Caibarien, in Villa Clara Province, a visit to affected areas in northern Sancti Spiritus, a visit to Maximo Gomez Sugar Mill and the towns of Punta Alegre, Moron, and Ciego de Avila, in Ciego de Avila Province, and with his arrival in the late afternoon in the city of Camaguey.

Immersed in an atmosphere of popular enthusiasm and willingness to struggle, the chief of the revolution found in each town what he had known before he left the capital: destruction everywhere is immense. Along the hundreds of kilometers traveled by our commander in chief to determine the effects of Hurricane Kate, the same scene was repeated: towns almost completely blown down, sugar mills without roofs and with their machinery exposed to the elements, sugarcane blown over by the winds, and dairy farms destroyed. Fidel stressed the fact that, without surprise but with wonder, he saw the reaction of the people to the disaster. In each place Fidel told the inhabitants not to be discouraged, but in fact this encouragement was not needed. It was the people who showed Fidel their good spirits and their confidence in the sentiments of human solidarity of the revolution.

Throughout his visit to the areas affected by Hurricane Kate, Commander in Chief Fidel Castro found the people determined to work day and night to repair the damages. One example of this determination is given by the words of a country laborer employed at Maximo Gomez Sugar Mill: Fidel, you were worse off when you arrived here from Mexico, and you showed your courage. Now we too are going to show our courage, and we will build what has been lost.

On 22 November the commander in chief visited the Sola Fruit Plantation, several Camaguey industries, and the Mella housing development. During these visits Fidel gave special attention to the study of certain damage caused by the hurricane in Camaguey, a province which was less affected than those visited earlier; only 50 percent of the canefields suffered the effects of the winds. At the Camaguey rooftile factory, the chief of our revolution found the workers ready to increase production to about 12,000 tiles daily, even if it meant working on Sundays.

This is what the dialogue between Fidel and the workers was like in all of the seven provinces he visited to determine the damage caused by Hurricane Kate. Later, when reviewing the strategy to be followed in the sugar harvest by Camaguey, a province in which a high percentage of the cane is machine harvested, the first secretary of our party said several thousand additional men will be needed. Faced with this reality, Fidel said: We have to do exceptional things, with an exceptional mobilization and an exceptional effort.

Continuing his exceptional activities of recent days, last Saturday the commander in chief met with Havana Province party and people's government leaders. Later he met with the first secretary of the party, the president of the people's government of Havana City Province, and other leaders to determine how the program of measures to assure a return to normalcy in Havana City Province was being carried out. At the meeting Fidel reviewed the problems affecting telephone, electric power, gas, and water lines and the removal of trees blown down by the hurricane. He was informed of the great mobilization planned for last Sunday to advance the city's return to normal.

While explaining his observations during his trip to the provinces affected by Hurricane Kate, our commander in chief said that, according to preliminary calculations, between 2 million and 3 million fibrocement tiles, 10,000 tons of zinc tiles, and other materials would be needed to repair damaged buildings.

There are nearly 60,000 damaged houses and more than 5,000 houses totally destroyed in Cuba, and thousands of agricultural, industrial, and social installations have been partially destroyed. The most urgent task is to repair roofs. Economic damages are great. The amount of damage to sugar industry production cannot yet be determined, but it is great. We must struggle to recover from this hard blow to our economy, our commander in chief said. Fidel Castro underscored the fact that the losses inflicted by Hurricane Kate fortunately did not include human lives. A good job was done, the protective measures were effective, and this is most important.

Fidel reiterated his guidelines that immediate priority be given to every situation that could cause further damage. Everything can be replaced, he said. Except for sugar, what will we lose? The greatest effort will be made in the sugar harvest, which we will have to carry out under very difficult conditions.

After Fidel's trip to the seven provinces hit by Hurricane Kate, the unprecedented magnitude of the disaster suffered and the work to be done are clear. The people, undiscouraged, made strong by the solidarity spirit of our society, and convinced of their capability and tenacity, face adversity with the certainty of victory.

TIES WITH BRAZIL REPORTEDLY SET FOR JANUARY

PA261741 Havana International Service in Spanish 0000 GMT 23 Nov 85

[Text] Brazil will reestablish diplomatic relations with Cuba in January, according to TRIBUNA DA IMPRENSA, published in Rio de Janeiro. According to the newspaper, President Jose Sarney assured a leader of the Brazilian Democratic Movement Party that the restablishment of diplomatic relations with Cuba has already been decided at the government level and will be made official in due course.

RODRIGUEZ MEETS WITH FRENCH ENERGY OFFICIAL

FL221443 Havana Radio Progreso Network in Spanish 1200 GMT 22 Nov 85

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met in Havana with Martin Malvy, French secretary of state for energy. Malvy heads his country's delegation to the joint intergovernment commission meeting for industrial economic cooperation.

Agreements Reached

FL231452 Havana Radio Progreso Network in Spanish 1200 GMT 23 Nov 85

[Text] Increased trade and new ways of technical cooperation are among the main agreements of the eighth meeting of the Cuban-French joint commission for economic and industrial cooperation, held in Havana over several days. The commission document was signed by Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, and Martin Malvy, French secretary of state for energy.

'SPECIAL VIGILANCE' UNDERWAY AT PRD OFFICES

PA270013 Madrid EFE in Spanish 2330 GMT 26 Nov 85

[By Rosendo Sepulveda]

[Excerpts] Santo Domingo, 26 Nov (EFE) -- The headquarters and other installations of the Dominican Revolutionary Party (PRD) -- currently in government -- in this capital have been forcibly taken over by heavily-armed members of this party. The civilians, who are armed with all types of weapons, have said they are members of the PRD's security corps and have stationed themselves inside and outside of the installations, allowing no one inside.

The takeover, which has not been officially sanctioned, was carried out a few hours after the vote counting center was attacked yesterday by members of the factions which support President Salvador Jorge Blanco, Jose Francisco Pena Gomez' institutionalist bloc, and Senate President Jacobo Majluta.

Men armed with shotguns and handguns took over the national headquarters and offices of the national district committee, pointed their weapons at all the PRD employees inside, and violently evicted them from the premises. Those who took over the national headquarters and committee office stated that they do not care which of the two -- referring to Pena Gomez and Majluta -- won, but none of Majluta's followers have been allowed inside, while Pena Gomez' followers are allowed to go in.

The former public health minister and member of the institutional block which supports Jose Francisco Pena Gomez said, upon arrival this afternoon at the PRD national headquarters, this should provoke no concern because special vigilance has been established merely as a precautionary measure. He said: None of the factions owns the PRD. He then added that he had no idea who had issued the order to establish this type of special vigilance in all of the PRD'S installations.

VIOLENCE FORCES SUSPENSION OF VOTE COUNT

FL262034 Bonaire Trans World Radio in English 1130 GMT 26 Nov 85

[Text] In the Dominican Republic, men with machineguns shot up an election center at a luxury hotel yesterday, wounding three people, scattering tourists, and forcing suspension of the vote count in the ruling party presidential primary.

Authorities say the clash at the Dominican Concord Hotel in Santo Domingo began when factions supporting the two rival candidates began hitting each other with chairs in a dispute over who was leading the account. In the midst of the fighting, men armed with handguns and submachineguns entered the vote-counting center in the hotel lobby and raked it with bullets, shattering lamps and other fixtures. American and Canadian tourists vacationing at the hotel screamed and ran for cover. Party officials were forced to call off the vote after scores of ballots were reported lost or stolen during the brawl. The latest official tally of votes has Senate President Jacobo Majluta with a slight edge over Santo Domingo Mayor Jose Francisco Pena Gomez.

PPP BROADCASTS PLANS TO RESCUE ECONOMY

FL25171C Bridgetown CANA in English 1745 GMT 23 Nov 85

[Text] Georgetown, Nov 23, CANA -- The Guyana economy is in deep trouble, with a heavy debt burden and no money for much needed imports, and only the People's Progressive Party (PPP) can rescue it, PPP General Secretary Clinton Collymore said in an election broadcast here last night. A good example of the poor administration of the country is seen in the grim debt burden, which grew from a mere G125 million dollars in 1964 under the PPP government -- when debt charges were only G10 million dollars -- to G5.6 billion dollars in 1984, when the debt charges reached a staggering G689 million dollars, equal to 116 percent of state revenues, declared Collymore.

The PPP parliamentary front bencher and shadow economic affairs minister accused the People's National Congress (PNC) government of mismanagement of the economy, and denying the people food during its 21 years in power. The PNC has imposed a most unpopular restriction on foods, said Collymore in the second of six broadcasts allocated to the Marxist opposition PPP, one of seven parties contesting December 9 general elections here.

The importation of consumer goods has been systematically slashed from G130 million dollars in 1980 to a paltry G55 million dollars in 1984, he said, resulting in chronic food shortages. The time is right for operation rescue, to save the beautiful country from further wreckage by returning the PPP to parliament with a big majority, said Collymore in his 10 minute broadcast.

The PPP led by pro-Moscow ex-Premier Dr Cheddi Jagan lost power to the PNC in 1964. Collymore promised that should the PPP be returned to power next month, wheat flour, split peas, cheese, milk and other foods the people were accustomed to would be back on the market and store shelves again. The PPP, he said, would lift the government ban on a wide range of imports and do something to return consumer prices to reasonable levels.

How many of us can buy cheese at five dollars per ounce, powdered milk at 100 dollars per 5 pound tin, margarine at 24 dollars per pound, cooking oil at 15 dollars per pint, salt at 6 dollars per pound, rice at 8 dollars per gallon and sugar at 2 dollars per pound (the blackmarket prices for these scarce commodities). Where will the money come from at a paltry minimum wage of 15.10 dollars per day, he queried.

The bad economic policies of the PNC caused severe hardships on the Guyanese people, resulting in theft, pilfering, embezzlement, hold-ups, shoplifting, rackets, bribery, corruption, prostitution and juvenile delinquency, the PPP official declared. Collymore was highly critical of government's and ties with the International Monetary Fund (IMF). [sentence as received]

Had the PNC heeded the advice of the PPP and rejected the IMF prescription, conditions in Guyana would have been much better, he said. Now the IMF has declared Guyana intelligible [as received] for further credit. The Caribbean Development Bank has done likewise. Guyanese owes Trinidad and Tobago 400 million dollars...Guyana took U.S. 90 million dollars out of the 100 million dollars of the CMCF (Caricom Multilateral Clearing Facility --a regional trade credit scheme), and caused the collapse (in 1983) of the institution, Collymore said.

BARBADOS

GOVERNMENT AIDE APPOINTED TO HIGH COMMISSION

FL221700 Bridgetown CANA in English 1634 GMT 22 Nov 85

[Text] Bridgetown, Barbados, Nov 22, CANA -- The personal assistant to the Barbados prime minister has been appointed to a senior diplomatic post in London, the government announced. Glyne Murray will assume duties as counsellor (deputy chief of mission) at the Barbados High Commission on December 1. A former journalist, Murray was first appointed an aide to late prime minister Tom Adams in 1982, and was kept on when Bernard St John became head of government on Adam's death in March.

BOLIVIA

CENTRAL BANK ESTABLISHES NEW DOLLAR RATE

PY261310 La Paz Cadena Panamericana in Spanish 1130 GMT 26 Nov 85

[Excerpt] The rate of the dollar to be auctioned by the Central Bank has increased. The new exchange rate established yesterday is 1,342,000 Bolivian pesos per dollar. Economic experts agree that this is a minidevaluation. But Central Bank Acting President Jaime Escobar has stated that this hike in the dollar rate will put a stop to speculation on the price of staples.

YUGOSLAVIA OFFERS CREDIT TO LA PAZ PREFECTURE

PY221515 La Paz Cadena Panamericana in Spanish 1130 GMT 22 Nov 85

[Text] The Yugoslav Government is willing to provide technical cooperation to Bolivia. In fact, the offer was made during a protocol visit Yugoslav Ambassador Miodrag Radovic made to La Paz Department Prefect Angel Gomez Garcia. It was stated that the Yugoslav Government is willing to provide technical cooperation for the road-building projects planned by the prefecture through an agreement establishing a credit line for Bolivia. This was stated yesterday by Miodrag Radovic after a meeting with the La Paz prefect, according to our sources.

After thanking the Yugoslav ambassador for his visit, Angel Gomez Garcia stated: The needs are many, and you diplomats are witnesses to the country's economic situation. However, we are firmly determined to overcome the economic situation, counting on the friendship and cooperation of friendly countries.

SURINAME

BOUTERSE ACCEPTS POLITICAL PARTY REPRESENTATION

FL262300 Bridgetown CANA in English 2001 GMT 26 Nov 85

[Text] Paramaribo, Nov 26, CANA-REUTER -- Reforms aimed at returning Suriname to representative government include political party representation on a top policy making board, according to details released last night. An agreement between military strongman Desi Bouterse and the former Dutch colony's three main parties, signed on Saturday, was published yesterday on the 10th anniversary of independence. Party leaders will be represented on the Beraad, the supreme decision-making board on which military leaders liaise with civilian cabinet ministers.

But the parties will not get government posts or seats in the nominated National Assembly, which is charged with drawing up a new constitution. Bouterse, who has ruled the near-bankrupt country since a coup in 1980, has pledged to return Suriname to democracy by April 1987.

URUGUAY

FERREIRA ADVOCATES REJECTION OF BAKER PLAN

PY231522 Montevideo Radio Carve in Spanish 0000 GMT 23 Nov 85

[Excerpt] Blanco Party leader Wilson Ferreira Aldunate, who returned to Montevideo today, has discussed the refinancing of the local debts. In his first statements upon returning, Aldunate said that the Uruguayan Government should not and cannot consider the Baker plan if it excludes Peru. If we let them asphyxiate us one by one, they will end up asphyxiating us all, he said.

VENEZUELA

SOVIET OFFICIALS PAY VISIT TO CARACAS

PA261926 Caracas Television Service in Spanish 1600 GMT 26 Nov 85

[Text] Seven Soviet officials are on an official visit to Caracas to exchange knowledge, municipal experience, [illegible]ods of solving specific community problems. The Soviet visitors were invited by AVECI, the Venezuelan Association for Intermunicipal Cooperation, which had sent representatives on an official visit to the USSR some time ago. The Soviet leaders greeted Caracas Mayor Miguel Angel Contreras Laguado at the governor's office and later signed the book of illustrious visitors.

It is worth mentioning that, putting aside political systems, municipal problems are quite similar in all cities in the world, and learning how they are solved in other urban centers can be very helpful.